



亞洲水泥
ASIA CEMENT CORPORATION

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ASIA CEMENT CORPORATION

2021 Annual Report

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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I Report to Shareholders

2021 Business Report

1. Review of Global and Domestic Economy in 2021

Review of Global Economy in 2021

The entire global community was impacted by the SARS-CoV-2 variants of Alpha, Delta and Omicron in turns in 2021. With the growing vaccination rate, the number of severe cases or death has reduced in most developed countries with vaccination rate of 75% and therefore adopted strategies to coexist with the virus and relieve controlling measures. According to a study by National Development Council, with the continuous revival of global economy, the output has recovered to pre-COVID level.

According to an estimate by HIS Markit, global economy has demonstrated a strong rebound due to low base effect and resulted in growing demand with a growth of 5.6% in global economy in 2021 comparing to a 3.4% recession in 2020. It is indicated in World Economic Outlook by IMF that global economy is expected to grow at 5.9% in 2021, highest for the last 40 years. However, the economic fault line caused by the pandemic is expected to last longer mainly because the diversification of economic development in short run will impose a lingering effect on the economic performance in long run.

Statistics by WTO reveals that the recovery of global economy has strengthen the demand, trading among major economies has surpassed the level before the pandemic with a total export of 22.3 trillion USD globally, representing a 26.3% growth. Among which, China remains the top exporter with its export of 3.36 trillion USD, accounts for 15.1% export worldwide, followed by 7.9% by U.S.A., 7.3% by Germany, 3.8% by the Netherland and 3.4% by Japan.

It is the observation of Taiwan Institute of Economic Research, TIER, that the price index has expand significantly due to a swift response in economic in Europe and U.S.A., elevated housing cost due to easing monetary policy and unstable supply chain. OECD has announced the IPC of 6.6% which is the highest since June 1991 which triggers the suspect that the inflation might be structural instead of temporary.

Review of the domestic economy in 2021

COVID-19 has drastically changed the way people used to live and altered global economy and industry in a way no one would have expected. TIER has commented that the economy faced by Taiwan domestically is very distinct from that faced by export industry.

In terms of domestic consumption, spreading of pandemic in late May of 2021 has triggered concern of the public in addition to the impact on service sector due to strict control measure implemented by the authority. Export, on the other hand, has benefited from the reactivation of economic activities of major economies. Recoveries of economies like U.S.A., China and Europe has boosted the demand and contribute to the export of Taiwan. According to the statistics by WTO, the export of Taiwan was amounted to 446.4 Billion USD while the import was amounted to 381.5 Billion USD and this leads to a total trading value of 827.9 Billion USD, ranking 16th worldwide, best record for last 16 years.

Owing to the serious global shortage of semiconductor chips and electronic components has boosted the production of semiconductors to over 4 trillion NTD. A study by Academia Sinica shows technology giants and their partners along the supply chain has expanded investment continuously. On top of which, expansion of transportation capacity in aviation industry and investment in 5G infrastructure by telecommunication service provider has aggressively increased investment in private sectors. Under the encouragement of funds from domestic and abroad, TWSE Weighted Index was able to maintain at 18,000 points which a growth of 3,486 points and 23.66% comparing to last year.

According to the data published by Directorate-General of Budget, Accounting and Statistics, DGBAS, of Executive Yuan, the growth of economy in Taiwan for 2021 is 6.28% which is the highest for last 11 years. However, DGBAS also published that Consumer Price Index in 2021 increased by 1.96% and is also the highest among last 13 years. The price of literally all commodities rose in 2021 among which the price for transportation and communication rose with biggest gap primarily due to escalation of fuel cost as a result of surging price of international crude oil at low base period. Second to that would be the price of food. However, the price increase relatively mild comparing to neighboring South Korea and Singapore.

Performance of the Company in 2021

- A. Total production of OPC in mainland China in 2021 was 2.38 Billion mt, YOY decrease of 0.4%. The production of cement clinker of all subsidiaries in China was 24,476 thousand mt, YOY increase of 2.38%. Total sales of OPC, cement clinker and slag powder was 29,829 thousand mt, YOY increase of 2.22%.

Asia Cement (China) Holding Corporation, hereinafter as “ACC(China)”, generated a profit of 7,671,037 thousand NTD after tax, the Company and the subsidiaries thereof has recognized a return on investment of 5,523,147 thousand NTD.

- B. According to a statistic by Taiwan Cement Manufacturer Association, sales by its member companies amounted to 12,111,491mt, YOY of 2.1%; among which domestic

sales accounted for 10,296,719mt, YOY increase of 7.31% while export sales accounted for 1,814,772mt, YOY decrease of 19.93%. The sales by the Company in 2021 was 2,932,960mt, representing 28.48% of sales by domestic manufacturers and 23.17% of sales domestically. Despite the recurrent impact by COVID-19 domestically in 2021, the pandemic is effectively contained with the joint effort by the government, private sectors and our citizens which enable the chance for splendid economy. Cement industry has demonstrated a growing trend as a result of demand from both public and private sectors. Consumption of cement domestically shown a steady growth with 12,657,702mt of consumption, YOY growth of 4.56%, representing a consumption per capita of 542kg, YOY growth of 5.45%.

- C. The consolidate revenue of the Company in 2021 amounted 89,654,713 thousand NTD, YOY growth of 14.59%, along with a consolidated operation profit of 17,686,217 thousand NTD, YOY decrease of 10.09%. In addition, recognition of return on investment in business recognized under equity method, U-ming Marine, China Shan-shui Cement and Far Eastern New Century, was 6,318,550 thousand NTD, with a net profit after tax of 17,527,770 thousand NTD, represented by a ratio of net profit after tax of 19.55%. Consolidated net profit after tax attributable to owner of the Company was amounted to 15,068,221 thousand NTD. The distribution of profit is adopted by the 9th meeting of 27th Board of Directors to be cash dividend of 3.4NTD per share.

2. Operating Performance of 2021

A. Production:

Unit: '000 mt

Item Company	Cement	Difference from 2020	%	Clinker	Difference from 2020	%
ACC (Taiwan)	3,635	11	0.30	3,407	(83)	(2.38)

* Key performance indicator: Cement production of 3,635 thousand mt, planned production of 3,810 thousand mt, representing achievement rate of 95.41%; clinker production of 3,407 thousand mt, planned production of 3,610 thousand mt, representing achievement rate of 94.83%.

Unit: '000 mt

Item Company	Cement	Difference from 2020	%	Clinker	Difference from 2020	%
ACC (China)	27,469	452	1.67	24,476	568	2.38

* Key performance indicator: Cement production of 27,469 thousand mt, planned production of 29,008 thousand mt, representing achievement rate of 94.69%; clinker production of 24,476 thousand mt, planned production of 25,338 thousand mt, representing achievement rate of 96.60%.

B. Sales

ACC (Taiwan)

Unit: '000 mt/ '000 NTD

Unit: '000 mt '000 t/yr

Volume & Value Product	2021				Difference from 2020			
	Domestic Sales		Export Sales					
	Volume	Sales	Volume	Sales	Volume	%	Volume	%
Cement & Clinker	2,972	6,749,732	695	1,062,855	(92)	(2.45)	81,823	1.06

* Key performance indicator: Sales of Cement and clinker of 3,667 thousand mt, planned sales of 3,871 thousand mt, representing achievement rate of 94.73%.

ACC (China)

Unit: '000 mt/ '000 NTD

Volume & Value Product	2021				Difference from 2020			
	Domestic Sales		Export Sales					
	Volume	Sales	Volume	Sales	Volume	%	Volume	%
Cement & Clinker	29,679	48,235,550	-	-	569	1.95	4,955,661	11.45

* Key performance indicator: Sales of cement and clinker of 29,679 thousand mt, planned sales of 30,869 thousand mt, representing achievement rate of 96.14.

3. Deployment of investment in China

Asia Cement was the pioneer Taiwanese cement manufacturer to expand its business in mainland China after Taiwan government implemented open investment policy by sanctioning Taiwanese company to invest in cement business in China and has been present in China for 26 years.

Asia Cement (China) Holding Corporation, ACC (China), has been publicly traded in HKEX since May 20, 2008 with a total asset of 21.4 Billion RMB. ACC (China) currently owns 21 subsidiaries and is patterned strategically with five other companies. ACC (China)'s footprint spreaded mainly in Jiangxi, Sichuan, Hubei, Jiangsu and Shanghai with Jiangxi Yatong Company, Sichuan Yatong Company, Hubei Yatong Company being its operation center in Southeastern, Southwestern and Central China respectively. ACC (China) has erected multiple cement manufacturing plant, grinding station, cement product plant and transportation company based on the deployment. In addition, ACC (China) has deployed terminals and sales representative offices to form a dense and efficient network of production, transportation, and sales.

4. Overview of The Company's Investments in China

- A. Jiangxi Yadong Cement Co., Ltd - Jiangxi Yatong owns 6 cement kilns with annual clinker production capacity of 11.3 Million mt and cement production capacity of 14 Million mt and is the largest production base for cement in the province. The scale of the plant is second to none in China. Generator powered by recycling of wasted heat can produce 338 million kWh

electricity annually and effectively reduce cost of electricity and dependence of power supply from external source.

- B. Sichuan Yadong Cement Co., Ltd - Sichuan Yadong owns 3 cement kilns with annual clinker production capacity of 4.95 Million mt and cement production capacity of 6 Million mt. Generator powered by recycling of wasted heat can produce 145 million kWh electricity annually. Conveyor transportation system extended from terminal at Guan-kou to the plant can transport the limestone from the quarry to the plant. In addition to the benefit of high transportation efficiency, lower cost and maintain stable supply of limestone, the system also completely eliminate adverse impact of transportation of limestone to the neighborhood, road and life of the residents.
- C. Hubei Yadong Cement Co., Ltd - Hubei Yadong owns 2 cement kilns with annual clinker production capacity of 3.3 Million mt and cement production capacity of 4 Million mt. Generator powered by recycling of wasted heat can produce 105 million kWh electricity annually.
- D. Huanggang Yadong Cement Co., Ltd - Huanggang Yadong owns 1 cement kiln with annual clinker production capacity of 1.65 Million mt and cement production capacity of 2 Million mt. Generator powered by recycling of wasted heat can produce 41 million kWh electricity annually.
- E. Wuhan Yaxin Cement Co., Ltd - To enhance the market position and market share of the “Skyscraper” cement in Wuhan areas, Hubei Yadong Cement Co., Ltd acquired Wuhan Xinlingyun Engineering Co., Ltd on July 2010 which is also equipped with new dry process clinker production system to establish Yaxin Cement Co., Ltd. Yaxin’s annual production capacity for clinker is 1 Million mt and 1.5 Million mt for cement. Generator powered by recycling of wasted heat can produce 17 million kWh electricity annually.
- F. Sichuan Lanfeng Cement Corp. - To enhance the market position and market share in great Chengdu area and leverage the synergy of marketing, cost efficiency and operation efficiency, Sichuan Yadong Cement Co., Ltd acquired 100% shares of Sichuan Lanfeng Cement Corp in 2014. Lanfeng owns two new dry process clinker production lines with annual production capacity of 3.8 Million mt for clinker and 5 Million mt for cement. Generator powered by recycling of wasted heat can produce 13 million kWh electricity annually.
- G. Yangzhou Yadong Cement Co., Ltd - Yangzhou Yadong is capable of grinding 2.3 Million mt of cement to supply local market. In addition, the company also owns batching station for ready-mixed concrete.
- H. Wuhan Yadong Cement Co., Ltd – The company is capable of grinding 1.8 Million mt of cement annually.

- I. Nanchang Yadong Cement Co., Ltd – The company is capable of grinding 0.6 Million mt of slag powder annually.

5. Prospects for global and domestic economy in 2022

A. Prospects for the global economy in 2022

2022 started with the continuous spreading of Omicron variants of SARS-Cov-2 and the end of the pandemic is yet to be seen. Despite the gradual recovery of global economy, fiscal and monetary policy from various countries cannot provide adequate boosting power. Inflation in various economies and instability in real estate in China has weakened the prospect of growing economic. It is the estimation of United Nation that the trading of commodities and service might slow down after speedy growth in 2021. In addition, conflict between Russia and Ukraine has impact global stock market, market for precious metal and energy with adverse effect as well as industrial supply chains, IMF has revised global economy growth to 3.6% in first half of 2022 while World Bank has also revised that to 3.2%.

Price of energy and raw material has escalated largely in U.S. due to conflict between Russia and Ukraine. Fed has raised the interest rate by 0.25% and 0.5% in March and May respectively and doesn't exclude the possibility of two to three raise in the future with possible increase of 0.5% to 0.75%.

Stability in regional economy in Euro zone has also been affected by the prolonged conflict between Russia and Ukraine. HIS Markit predicts economy growth of 2.5% for 2022.

Due to implementation of dynamic zero Covid policies in major cities in China, local economic activities have slowed down. On top of which is the intense supply shortage and bottleneck face by the logistics business. HIS Markit estimated that economy growth of China to be 5.1% in 2022.

TIER research shows that despite challenges of slow economy, interrupted transportation, bottleneck faced by supply chains and escalated transportation cost and conflict of geopolitics have impact global trading, the effectiveness of African Continental Free Trade Agreement and RCEP has positive effect on the growth of trading. The annual trading value globally is optimistically estimated to be around 5.7% to 6.7%.

C. Prospects for the domestic economy in 2022

Despite the expectation that COVID-19 will be eventually normalized as influenza, whether or not 2022 will be the last year of the pandemic without the emergence of new variant is still subject to many factors. With the conflict between Russia and Ukraine is yet to rest, the future of global economy is still blurred. Having said this, National Development Council's analysis suggest that the economy is expected to recover due to the implementation of incentives of various countries and therefore bring opportunities to the export of Taiwan. In addition to that, factors like innovative application of technology, expansion by semiconductor manufacturers, relocation of oversea Taiwanese business and continued investment by local business will aid at the growth of export. It is estimated that the export value could reach 472.1 Billion USD in 2022, YOY growth of 6.14%.

Among estimates on the growth of economy in Taiwan from various institutes, IMF predicts a growth of 3.2%, ADB estimates at 3.8%, Academia Sinica expects growth of 3.85%, while the DGBAS predicts a growth at 3.91%.

DGBAS, Executive Yuan, reminds that unemployment rate might fall at 3.6% and CPI

might be revised by increase to 2.48% for 2022 due to raise of price in energy and inflation, the misery index is likely to conclude at 6%, highest for last 10 years.

6. Prospects for the cement industry in China and Taiwan

A. Mainland China:

Economy in China has been facing quite some challenge owing to the gradually complexed and critical international trends as well as the multiple difficulties triggered by the outbreaks of COVID-19 in various areas domestically. The year has started with steadiness with GDP grow by 4.8% in Q1 comparing to same period last year. For the rest of the year, China government aims at coordinating between the containment of the pandemic economic development and further enforce the influence of macroeconomic policy and increase support to economy with financial policies with the goal to maintain the economy development within reasonable interval. It is the prediction of Center for Forecasting Science, Chinese Academy of Sciences that the GDP in China is expected to grow at 5.5%.

Due to the recurrent influence from restriction on import of coal and the pandemic, the price of coal remains lingering at high level. With the comprehensive mechanism with which the price was negotiated at coal market along with benefit of the coverage of long-term agreement, the coal price is expected to return to normal range in 2022 and relieve manufacturing industry from pressure of production cost at certain degree.

The prospect for operation of cement industry in China is elaborated as follow,

a. Constant public infrastructure and regional economic infrastructure projects will enhance demand for cement.

- 1) A working report by Chinese Government brought up an arrangement of issuance of bond by local government of 3,650 Billion RMB will focus on expansion of effective investment in projects of high speed rail, highway, airport, water facility port facilities, and new infrastructure of data center with 5G base station as its core in order to effectively maintain the demand for cement.
- 2) With the continuous implementation of economic build up projects like “14th Five year modern transportation system development project”, “Comprehensive transportation system development in economic circle of Cheng-yu Region dual city ” and “Implementation plan of ‘14th Five years’ development of Triangle of Central China”, the demand for cement is expected to grow.
- 3) The real estate market is expected to recover and hence support the development of cement industry due to completeness of long-term mechanism by government agencies of central level to implement the goal of “Stable land price, stable housing price and stable expectation”.

b. Continuous de-pressurizing of industry and tightening up of supply

- 1) “Raw material industry development plan under ‘14th Five Year’” implemented by Ministry of Industry and Information Technology has demanded energy consumption of cement product per clinker unit to be controlled below 3.7%. This is considered to be complete level-up of the standard for energy consumption and forcing the withdraw of low efficiency capacity. “National clean production initiative under ‘14th Five Years’” has determined goal to suppress the development of blind development of industry with high energy consumption and emission and continue to de-pressurizing the industry.
- 2) Escalation of alternative production arrangement implemented on cement producer has prolong the days which the producer are required to postpone its production and the scope has been expanded with a higher intensity of enforcement and heading to a normalization of alternative production arrangement. The revised version of “Implementation of replacement of production capacity by Cement and Glass industry” has clearly indicated that replacement of production capacity should be tightened. Replacement of production capacity among cities will be difficult while that among provinces will be even more difficult and will hence tighten up the supply of the industry.

c. Expedite the extension of industrial supply chain. The price of raw material is at its high level while enterprises are seeking diversified development and aggressively incorporate along the upper and lower stream of the supply chain. The introduction of “Cement +” model seeks to expand the production of aggregates from upper stream and stepping into the ready-mixed concrete and its product in the lower stream as well as pre-fabricated architecture in order to build new source of profit.

d. Exploration of new energy by enterprises. With the publication of “Working Guidance For Carbon Dioxide Peaking And Carbon Neutrality In Full And Faithful Implementation Of The New Development Philosophy” and “Action Plan for Carbon Dioxide Peaking Before 2030”, the implementation of “Peak Carbon Emission” and “Carbon Neutralization” as high initiative, exploration of substitutable fuel, energy conserving, reduction of carbon emission shall continue. Solar power industry and substitute energy shall become the red sea of new competition and introduction of pioneer technology to lower carbon emission shall become the new focus of industry.

e. Co-processing of dangerous waste by cement kilns is a major breakthrough of transformation of cement industry, especially when cement industry has become one of the critical industries when it comes to improvement of environment of the cities. The scale this new source of business is bombing and there’s huge room for profit. This shall be considered to be an important source of future profit.

f. In-depth competition and collaboration among peers in the industry shall become the new trend. Mergers among industry leaders, CNBM, Conch Cement, China Resource Cement has been completed in 2021 and opens the new era of cross-holding among leaders and collaboration among the strong peers. The trend of merger and reconstruction among the industry peers is expected and the industry shall be come highly concentrate. Giant cement group will stronger by stronger.

B. Taiwan

Regarding domestic demand for construction, Taiwan government remains its expansion policy and awards various projects and tender for infrastructures. According to an announcement by DGBAS, Executive Yuan, budget for public infrastructure totaled at 146.6 Billion NTD for 2022. The total budget, after including special budget of 85.7 Billion NTD for Phase III of Forward-looking Infrastructure Development Program, would be 232.3 Billion NTD, which is 5.6 Billion NTD more than that of 2021 and equals to an increase of 2%.

In terms of real estate, the Ministry of the Interior announced that the number of housing units to be sold and transferred in 2021 totaled at 348,000, a growing trend for 5th consecutive year and a record high for the past eight years. Housing market in 2022 remain to fulfill healthy structure of demand for personal housing. However, in order to contain the speculation of housing caused by opportunists, the government has continuously implemented controlling policies. Along with the trend of raising interest rate adopted by all major economies, the housing market remains embedded with indecisive factors.

In general, under the multiple influences of interference in housing market by the government, labor shortage of construction, conflict between Russia and Ukraine and COVID-19, the industry has been faced with challenges and uncertainty. However, with the positive influence by implementation of infrastructure by government, relocation of oversea Taiwanese business and expansion of production facility by technology industry, demand for cement in Taiwan is estimated to grow compare to last year.

7. Business Outlook of the Company in 2022

Asia Cement, Taiwan is estimated to produce clinker of 3.61 Million mt and cement of 4.1 Million mt. The sales of cement and clinker would total at 4.15 Million mt. ACC (China) is estimated to produce clinker of 24.652 Million mt and cement of 28.755 Million mt. The sales of cement and clinker would total at 30.249 Million mt.

8. Operation of the Company in Q1 2022.

The consolidated operating revenue of the Company was amounted to 19,681,118 thousand NTD, an increase of 10% comparing to same period in 2021 of 17,877,389 thousand NTD. The consolidated net-profit after tax was amounted to 2,716,844 thousand NTD, a decrease of 29% comparing to same period in 2021 of 3,849,242 thousand NTD. Net profit after tax attributable to the owner of the Company was amounted to 2,533,389 thousand NTD.

II Company Profile

2.1 Date of Incorporation: March 21, 1957.

Paid-in Capital: NT\$ 35,455,700,710 (Approved by the Ministry of Economic Affairs on May 30, 2022)

Scope of Business:

01. C901030 Cement manufacturing	11. H701010 Developing, leasing, and selling residential and business buildings
02. C901040 Ready-mixed concrete manufacturing	12. H701020 Developing, leasing, and selling industrial factories
03. B601010 Quarrying	13. H703100 Real estate rental & leasing
04. C901050 Cement and ready-mixed concrete products	14. H703090 Real estate sale & purchase
05. C901990 Non-metallic mineral products	15. JE01010 Rental and leasing
06. F111090 Whole sale of building materials	16. G202010 Parking-lot business
07. F211010 Retail sale of building materials	17. G801010 Warehousing
08. F401010 International trade	18. I103060 Business management consultation services
09. IZ06010 Tally and packing	19. J101040 Waste treatment
10. A201010 Afforestation business	

In addition to permitted scope of business, the Company can broaden its business not prohibited or restricted by laws.

2.2 Company History

Responding to the Taiwan government's second four-year economic development plan, Asia Cement Corporation (ACC) was founded on March 21, 1957 by Mr. Y.Z. Hsu and others. It built its first manufacturing plant in Hengshan Township, Hsinchu County. In 1973, in response to the government's call to develop eastern Taiwan, the Company established its second plant in Hsincheng Township, Hualien County. Asia Cement and its "Skyscraper" brand cement have always occupied the core position in Taiwan's cement business. For now, these two plants can produce 5 million MT of clinker annually.

Asia Cement uses the most modern rotary kilns and introduces waste-heat recycling generators to transform waste heat and hot air into electricity. In addition, for lower cement transportation costs, Asia Cement established storage and transportation facilities in the Keelung, Taichung, Kaohsiung, and Hualien harbor. It also invested in the Group's U-Ming Marine Transport Co., Ltd., and began using U-Ming's bulk carriers to transport cement around Taiwan. The Company's "Three Highs and One Low" strategy, high quality, high efficiency, high environmental protection, and low cost, along with its management capability, have given the Company the competitive edge to efficiently face challenges in the market.

Asia Cement believes that economic growth and environmental protection can be achieved in parallel. At the beginning of the establishment of the Hualien Plant, the Company invested a lot of manpower and material resources to set up a greenhouse seedling system in the quarry to cultivate various indigenous plants and transplant them to the remnant walls of the excavation sites. The

greening results have outstanding performance and have been repeatedly recognized by experts. Asia Cement introduces the most advanced dust collection equipment to effectively control the dust fall, keeping it far below the national standard. The Company has won the Enterprise Environmental Protection Award for 3 years. The Hualien plant has invested in circular economy, energy saving, and carbon reduction in recent years, and has achieved remarkable results. The Portland cement produced by the Hualien plant has also won international recognition this year by receiving the ISO-14067:2018 (Greenhouse Gases Carbon Footprints of Products), the ISO 14046:2014 (Greenhouse Gases Water Footprints of Products), and the optimizing level of the BS 8001:2017 for circular economy model maturity through SGS certification, making Asia Cement the first cement producer to receive the certification for circular economy standard, carbon footprint and water footprint at the same time in the world. In March 2021, Asia Cement passed the Science-Based Reduction Target Initiative (SBTi), becoming the fourth cement plant in the world with a well-below 2°C target. The Company joined the Global Cement and Concrete Association (GCCA), and jointly committee in Sep. 2020 to reach 2050 Carbon Neutral goal with global peer of cement and concrete industry. In addition, we have built a butterfly ecological park based on the existing beautified environment of the Hualien plant, luring thousands of visitors to experience the beauty of nature and receiving high recognition from the general public.

Besides establishing its core business, the Company also diversifies its investment by establishing Ya Tung Ready Mixed Concrete Co., Ltd. and Ya Li Precast & Prestressed Concrete Industries Ltd. Together with Far Eastern Construction Co., Ltd. and Far Eastern General Contractor Co., Inc., Asia Cement completed its vertical integration.

ACC's diversification strategic layout for the world not only includes the complete production and sales channels in Taiwan, it also has representative offices in Hong Kong and Singapore. Furthermore, it is also expanding into the world market, exporting cement to Southeast Asia, North America, Africa, and the Middle East Asia. Meanwhile, Asia Cement began to invest in China from 1994. Currently, with the production and sale bases in Jiangxi, Sichuan, Hubei, Yangzhou, and Shanghai, the total cement production capacity in China reaches 36 million MT. Asia Cement (China) Holdings Corporation has listed on the Main Board of the Hong Kong Stock Exchange in 2008. Asia Cement (China) Holdings Corporation will continue expand capacity through strategy cooperation, or merger & acquisition.

In the future, Asia Cement will keep maintaining its deep roots in Taiwan and continue moving forward by expanding in China and worldwide.

Major events in recent 6 years are shown as the following table:

Year	Major Events
Nov. 2018	Huanggang Yadong passed four certifications including the new ISO management system (quality, environment, occupational health and safety, energy management).
Nov. 2018	The Hualien plant was awarded the "International Health and Safety Management System " award.
May 2019	The Company is the first in Taiwan to win the "Asia Responsible Enterprise Awards" for two consecutive years (2018-2019).

Year	Major Events
Jun. 2019	Sichuan Yadong was granted the "Road Portland Cement Production License" issued by State Administration for Market Regulation, and obtained the production qualification of special cement for airport runways.
Oct. 2019	Sichuan Yadong and Huanggang Yadong won the "National Excellence Award" in the 17th National Cement Quality Index Inspection Competition of the "Gezhouba Cement Cup" in 2019.
Dec. 2019	Huanggang Yadong was selected as the "2019 Green Factory List in Hubei Province".
Jan.2020	Four mines of ACC (China) were selected by the Ministry of Natural Resources as 2019 Green Mines List.
Mar. 2020	The China Cement Association announced the ranking of the top 50 companies in the country's cement clinker production capacity in 2020, and Asia Cement (China) ranked 10th.
May 2020	Hualien Plant obtained ISO 14067: 2018 product carbon footprint standard, ISO 14046: 2014 product water footprint standard, BS 8001: 2017 the highest maturity level of circular economy, and was the first cement plant to obtain 3 verifications at the same time.
May 2020	Sichuan Yadong was awarded the "Certificate of Standardized Laboratory for Cement Production Enterprise" by the China Building Materials Federation, with a grade of "Excellent".
Oct. 2020	Sichuan Yadong was awarded the "All Excellence Award" for the 17th National Cement Chemical Analysis Contrast in 2020.
Dec. 2020	Sichuan Yadong was awarded the "2019 Environmental Integrity Enterprise".
Jan. 2021	Two quarries of Jiangxi Yadong were selected as the 2020 Green Mine List of the Ministry of Natural Resources.
Mar. 2021	Asia Cement has passed the SBTi review and aims to control climate warming below 2°C.
Apr. 2021	Asia Cement (China) won the 10th place in the cement clinker production capacity organized by China's cement website (ccement.com).
Apr. 2021	Asia Cement Ecological Park and National Taitung University signed a strategic alliance cooperation plan to rescue the unique butterfly in Lanyu Island.
Jun. 2021	Continued to be a constituent stock of the "Taiwan Highest Salary 100 Index" in 2020.
Aug. 2021	The laboratory quality management system ISO 17025 of the Hualien Plant uses the instrument analysis method to replace the traditional analysis method to reduce the pollution of chemicals to the environment.
Sep. 2021	The ISO 9001 certification of the Hualien Plant has added product certifications for Portland Cement Type II (MH), Portland Cement Type III, Portland Cement Type V and Portland Limestone Cement. It is also the first in Taiwan to obtain the product certification of Portland Cement Type III and Portland Limestone Cement.
Sep. 2021	The Supreme Administrative Court ruled to revoke the extension of the mining rights of the Hualien Plant.

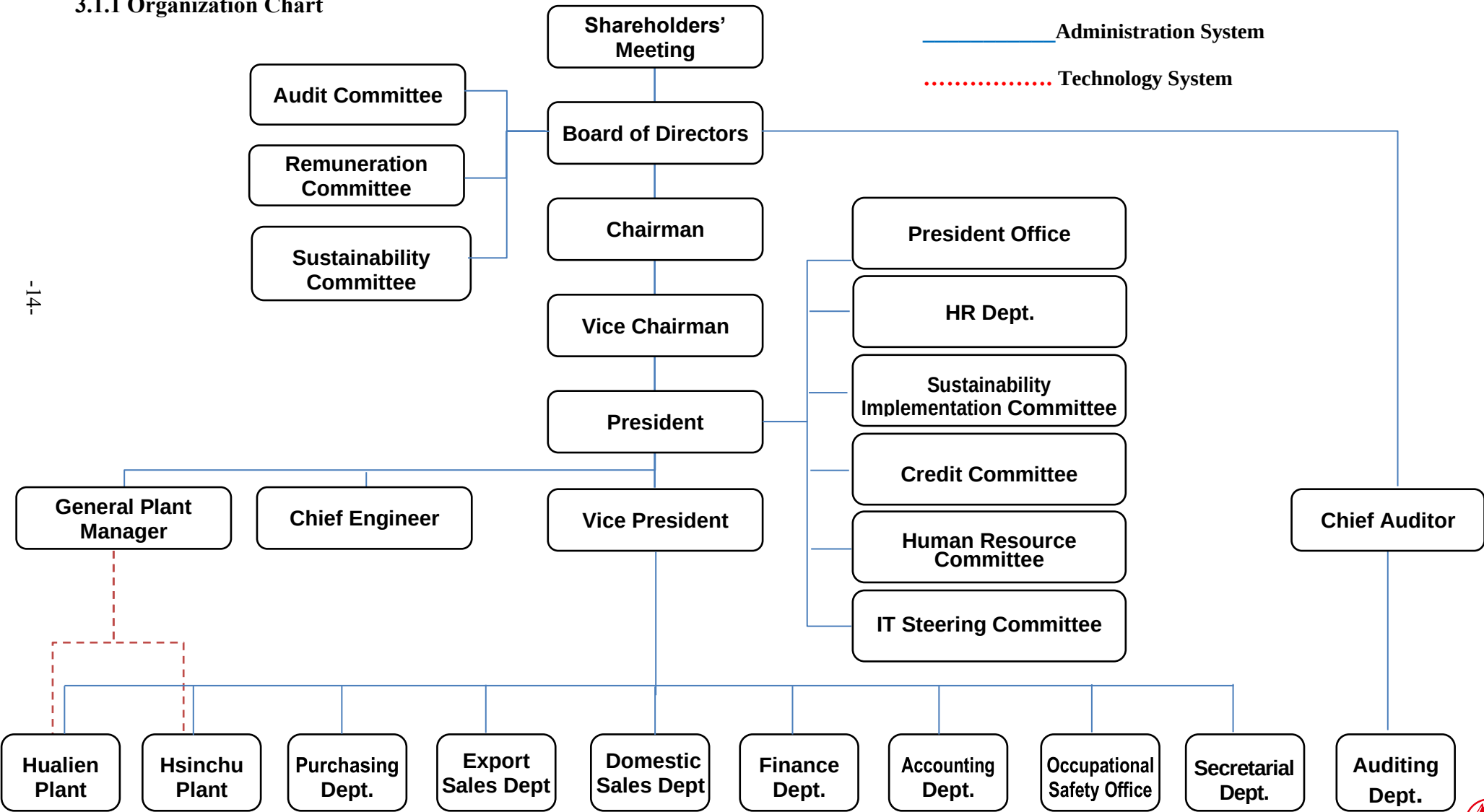
Year	Major Events
Oct. 2021	Asia Cement (China) was awarded "Asia's Best Employer Award" by HR Asia Magazine.
Oct. 2021	Asia Cement (China) was awarded the "Outstanding Contribution to Economic Benefit of the Industry" by the China Cement Association.
Nov. 2021	The company was awarded “Outstanding performance in the implementation of circular economy”, by the Environmental Protection Administration.
Nov. 2021	The company was awarded “2021 excellent greenhouse gas reduction award” by the Industrial Bureau of the Ministry of Economic Affairs.
Dec. 2021	The Company was awarded the 2021 International Innovation Award
Jan. 2022	China Cement Association announced the 2021 China Top 100 Cement Clinker Capacity List, and Asia Cement (China) ranked 10th.
Jan. 2022	Sichuan Yadong received the "National Industrial Product Production License" issued by the Sichuan Provincial Administration for Market Regulation, valid until January 28, 2027
Mar. 2022	Jiangxi Yadong donated 1 million RMB to the Ruichang Red Cross for anti-epidemic work.
Apr. 2022	The Company ranks among the top 6%-20% of listed companies in "8th Corporate Governance Evaluation".

During the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, there are no important events listed below impacting on the shareholders' equity of the Company: Mergers and acquisitions. To restructure affiliate companies. Large volume shares transferred or changed by directors, supervisors, or major shareholders who own more than 10% shareholding. Changes in the Company's management. Significant changes in business modes or business scope.

III Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Company Organization with Functions of Risk Management

Department	Primary Functions
Auditing Dept.	Directly report to the Board of Directors. Major duties: 1.Fair presentation of the financial reports, 2.The hiring (and dismissal), independence, and performance of CPA, 3.The effective implementation of the internal control system, 4.Compliance with relevant laws and regulations, and 5.Management of the existing or potential risks.
Remuneration Committee	Directly report to the Board of Directors. Prescribe and periodically review the performance and remuneration policy for directors and managerial officers.
Sustainability Committee	Directly report to the Board of Directors. In charge of the guidance of promoting corporate sustainability and the supervision of implementing corporate sustainability policy, systems or related management principles, and periodically reporting to Board of Directors regarding the status of progression.
President Office	Assist ACC President to deal with daily affairs, plan operation strategies, and review the middle-term and long-term investment to reduce the risks resulting from improper decisions.
HR Dept.	Plan and implement HR policies to reduce relevant risks. HR Department is also responsible for promoting ethical management of the Company.
Sustainability Implementation Committee	Responsible for 1. Comply and disclose the information of corporate sustainability. 2. Plan and implement the corporate sustainability program. 3. Collect and submit the information of external assessment on corporate sustainability.
Credit Committee	Execute “Regulations for Managing Client’s Credit” enacted by the Company and take charge of risk control of account receivable.
Human Resource Committee	Review and advice to modify the Company’s organization structure, rules of personnel management, and other important human resource matters.
IT Steering Committee	Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management and provide strategy to prevent the risk of information security and its efficiency.
Secretarial Dept.	Handle the affairs of general services, secretary, legal affairs, public relations, etc. Reinforce legal sense of employees to decrease the risks of violating law.
Occupational Safety Office	Responsible for occupational safety and health management, formulating policies and supervising related affairs to ensure safety of workers and reduce the risk and loss of occupational hazards.
Accounting Dept.	Handle all accounting matters including the costs, accounts, taxation to ensure management efficiency of the Company’s operation, the reliability of financial report, and the adherence of related accounting regulations to reduce company operation risks.
Finance Dept.	Responsible for financial operation strategy, investment strategy, financial management, and dividend strategy, as well as investor relationship in order to minimize financial exposure, uphold financial opportunity and maximize shareholders’ best interest.
Domestic Sales Dept.	Plan and implement domestic marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Export Sales Dept.	Plan and implement oversea marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Purchasing	Handle all purchasing and contract issuing matters, setting up hedging

Dept.	mechanism to cope with changes in raw materials prices and shortage of raw materials supply.
Hsinchu Plant Hualien Plant	Take charge of R&D, production technology, quality control, planning production policies in collaboration with sales strategies to reduce production risks.

The Company has established an information security risk management framework:

An IT Steering Committee was established to review internal information application systems, office automation, network information, and information security protection measures on a quarterly basis, and to provide tools for operations, management, and decision-making to reduce information security and benefit management risks. We have established “Asia Cement Personal Data Protection Management Measures” and “Asia Cement Computerized Information System Processing” in accordance with Articles 8 and 9 of the Regulations Governing Establishment of Internal Control Systems by Public Companies; in addition, the “Information and Communication Security Inspection Audit” has been incorporated into our 2021 and 2022 annual audit plans. The aforesaid measures have all been submitted to and approved by the Board of Directors.

Information security policy:

Our "Computerized Information System Processing" regulates the management system for various types of IT data and information in the process of output, use, and preservation. Besides, the "Regulations for Use of IT Equipment and Information Software by Employees", regulates various information security behaviors that employees must observe in carrying out their business.

Specific management plan:

A total of 20 inspections were carried out in 2022, including the "Information Security Audit" (once) "Information System Internal Control Self-assessment" (twice), "SAP Sensitive Permission Authorization and Function Conflict Anomaly Check" (quarterly) and "SAP Super User Sensitive Transaction Check" (monthly) performed each by an external unit and an internal audit unit.

3.2 Directors and Management Team

3.2.1 Directors

Title Name	Elected Date	Gender Age	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Douglas Tong Hsu	2020.06.23	M >70	3	1975.04.28	23,278,334	0.66%	23,278,334	0.66%	6,352,467	0.18%	Honorary Doctor, Chiao Tung University Master of University of Notre Dame, Master of Economics, Columbia University	Chairman, Far Eastern New Century Corp. Chairman, Far Eastone Telecommunications Co., Ltd Chairman, Far Eastern Department Stores Ltd.	Director Director	Peter Hsu Johnny Shih	Sibling relatives by marriage
Director Tsai Hsiung Chang	2020.06.23	M >70	3	1981.04.24	459,350 *750,511,324	0.01% *21.17%	459,350 *750,511,324	0.01% *21.17%	110,877	0.00%	Mechanical Technology Section, National Central Industrial College (Chongqing)	Senior Advisor, Asia Cement (China) Holdings Corp. Director, U-Ming Marine Transport Corp. Director, Yuan Ze Uni.	-	-	-
Director Johnny Shih	2020.06.23	M >70	3	1984.04.25	453,745 *750,511,324	0.01% *21.17%	453,745 *750,511,324	0.01% *21.17%	6,523,993	0.18%	Master of Computer, Columbia University	Vice Chairman, Far Eastern New Century Corp. Vice Chairman, Oriental Union Chemical Corp.	Chairman Director	Douglas Tong Hsu Peter Hsu	relatives by marriage relatives by marriage
Director C.V. Chen	2020.06.23	M >70	3	1987.04.16	338,429 *750,511,324	0.01% *21.17%	338,429 *750,511,324	0.01% *21.17%	0	0%	S.J.D., Harvard University	Senior Partner, Lee and Li Attorneys-At-Law Chairman, Taipei European School	-	-	-
Director Chin-Der Ou	2020.06.23	M >70	3	2005.06.09	0 *3,849,468	0% *0.11%	0 *3,849,468	0% *0.11%	0	0%	Ph.D., Case Western Reserve University	Director, Taiwan Construction Research Institute	-	-	-
Director Kun Yen Lee	2020.06.23	M >70	3	2005.06.09	2,361,557 *1,895,136	0.07% *0.05%	2,361,557 *1,895,136	0.07% *0.05%	0	0%	Yi-Lan Elementary School	President, Asia Cement Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director Peter Hsu	2020.06.23	M >70	3	2002.06.07	13,454,981 *6,218,800	0.38% *0.18%	13,454,981 *6,218,800	0.38% *0.18%	0	0%	Master of Operations Research, Stanford University Master of Information Science, UCLA	Vice Chairman, Far Eastern New Century Corp. Director, Far Eastone Telecommunications Co., Ltd	Chairman Director	Douglas Tong Hsu Johnny Shih	Sibling relatives by marriage

Title Name	Elected Date	Gender Age	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director Chen Kun Chang	2020. 06.23	M >70	3	2011. 06.22	29,745 * 6,218,800	0.00% *0.18%	29,745 * 6,218,800	0.00% *0.18%	5,358	0.00%	Mechanical Section, National Taipei Institute of Technology	Vice CEO, Asia Cement (China) Holdings Corp. President, Jiangxi Yadong Cement Corp.	-	-	-
Director Ruey Long Chen	2020. 06.23	M >70	3	2011. 06.22	0 *1,560,068	0% *0.04%	0 *1,560,068	0% *0.04%	0	0%	Bachelor of Economics, National Chung Hsing University	Chairman, China Petrochemical Industry Development Co., Ltd. Chairman, Sinocon Industrial Standards Foundation Chairman, Powerchip Technology Corp. Secretary General, Cross-Strait Entrepreneur Summit	-	-	-
Director Champion Lee	2020. 06.23	M >70	3	2002. 06.07	0 *181,566,797	0% 5.12%	0 *181,566,797	0% 5.12%	0	0%	Master of Business Administration, Texas A&I University	Director, Far Eastern New Century Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director Kwan-Tao Li	2020. 06.23	M >70	3	2002. 06.07	642,936 *1,505,585	0.02% 0.04%	642,936 *1,505,585	0.02% 0.04%	0	0%	Master, New York University	Chief Counselor, Lee and Li Attorneys-At-Law Director, Far Eastern New Century Corp. Director, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	-	-	-
Independent Director Chi Schive	2020. 06.23	M >70	3	2014. 06.16	0	0%	0	0%	10,000	0.00%	PhD. in Economics, Case Western Reserve University Former Chairman, Taiwan Stock Exchange	Chair Professor, Soochou University	-	-	-
Independent Director Gordon S. Chen	2020. 06.23	M 60~69	3	2014. 06.16	0	0%	0	0%	0	0%	PhD. in Business Administration, National Taiwan University Former Chairman, Financial Supervisory	Chairman, Central Investment Corp.	-	-	-

Title Name	Elected Date	Gender Age	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
											Commission				
Independent Director Yun-Pen Chu	2020.06.23	M 60~69	3	2020.06.23	0	0%	0	0%	0	0%	PhD in Economics, University of Maryland Councilor of the Executive Yuan Chairman of the Insurance Stability Fund	Chair Professor, School of Mass Data Management, Soochow University Part-time researcher at Central University Taiwan Economic Development Research Center	-	-	-

Note 1: Information on Directors that are Representatives of Institutional Investors:

Representatives of Far Eastern New Century Corp.:	Director Tsai Hsiung Chang, Johnny Shih, C.V. Chen
Representative of Bai-Yang Investment Holdings Corp.:	Director Chin-Der Ou
Representative of Yue Ding Industry Co., Ltd.:	Director Kun Yen Lee
Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	Director Peter Hsu, Chen Kun Chang
Representative of Ta Chu Chemical Fiber Co., Ltd.:	Director Ruey Long Chen
Representative of Far Eastern Medical Foundation:	Director Champion Lee
Representative of U-Ming Corp.:	Director Kwan-Tao Li

Note 2: “*” indicates the number of shares held by Institutional Investors respectively represented by directors listed above.

Note 3: The shareholding excludes the shareholding that the trustor retains the power to decide the allocation of the trust fund.

Note 4: There is no director holding shares in the name of other person.

Note 5: All Directors are Taiwanese Citizens. The chairman and CEO of the Company is not the same person, nor kinship.

The First and Most Recent Date for Institutional Investors Elected as Directors (Based on the Annual Reports of the Company)

Title	Name of the Institutional Investors	First Date Elected	Most Recent Date Elected
Directors	Far Eastern New Century Corp	1987.04.16	2020.06.23
	Bai-Yang Investment Holdings Corp.	2001.05.16	2020.06.23
	Yue Ding Industry Co., Ltd.	2005.06.09	2020.06.23
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	2005.06.09	2020.06.23
	Huey Kang Investment Corp.	2008.06.17	2020.06.23
	Ta Chu Chemical Fiber Co., Ltd.	2011.06.22	2020.06.23
	Far Eastern Medical Foundation	1987.04.16	2020.06.23
	U-Ming Corp.	1993.05.07	2020.06.23

3.2.2 Major Shareholders of the Institutional Shareholders

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholders	%
Far Eastern New Century Corporation	Asia Cement Corporation	23.77
	Asia Eastern University of Science and Technology	4.81
	Far Eastern Medical Foundation	3.61
	Far Eastern Memorial Foundation	3.42
	Yuan-Ze University	2.74
	Nan Shan Life Insurance Co. , Ltd.	2.47
	Douglas Tong Hsu	1.71
	Chunghwa Post Co., Ltd.	1.56
	Der Ching Investment Corp.	1.55
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	1.33
Far Eastern Medical Foundation	Y. Z. Hsu (deceased)	76.90
	He Zongyan (deceased)	2.31
	Wang Shu-peng	2.31
	Hsu Wei Yuan (deceased)	2.31
	Huang Ying Chung	2.31
	Douglas Tong Hsu	2.31
	Laurence M. Yang (deceased)	2.31
	John Hsu	2.31
	Johnny Shih	2.31
	S.S. Hsu	2.31
	Yu Wei San	2.31
Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation	Far Eastern International Bank	25.00
	Far Eastern New Century Corporation (Original from Far Eastern Textile Ltd.)	23.00
	Asia Cement Corporation	18.00
	Far EasTone Telecommunications Co., Ltd	8.00
	Far Eastern Department Stores Co.,Ltd.	8.00
	U-Ming Marine Transport Corp.	4.00
	Oriental Union Chemical Corp.	4.00
	Yuan Ding Investment Company	2.00
	Oriental Securities Co., Ltd.	2.00
Bai Yang Investment Corp.	Far Eastern Department Stores Co., Ltd.	100.00
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholders	%
	Yu Ming Trading Corp.	1.53
Ta Chu Chemical Fiber Co.,Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
U-Ming Corp.	Far Eastern Department Stores Co., Ltd.	100.00

3.2.3 Major Shareholders of the Major Shareholders That Are Juridical Persons

Name of Juridical Person	Major Shareholders of the Juridical Person	%
Asia Cement Corporation	Far Eastern New Century Corporation	21.17
	Far Eastern Medical Foundation	5.12
	Yuanta/P-shares Taiwan Dividend Plus ETF	3.75
	China Life Insurance Co., Ltd.	2.38
	Mega International Commercial Bank Co., Ltd. Treasury Department	1.68
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.63
	Yuan Ding Investment Company	1.53
	Far Eastern Department Stores Co., Ltd.	1.41
	Yuan-Ze University	1.34
	Far Eastern Memorial Foundation	1.24
Asia Eastern University of Science and Technology	Asia Cement Corporation	50.00
	Far Eastern New Century Corporation (Original from Far Eastern Textile Ltd.)	50.00
Far Eastern Medical Foundation	Y. Z. Hsu (deceased)	76.90
	He Zongyan (deceased)	2.31
	Wang Shu-peng	2.31
	Hsu Wei Yuan (deceased)	2.31
	Huang Ying Chung	2.31
	Douglas Tong Hsu	2.31
	Laurence M. Yang (deceased)	2.31
	John Hsu	2.31
	Johnny Shih	2.31
	S.S. Hsu	2.31
	Yu Wei San	2.31
Far Eastern Memorial Foundation	Y. Z. Hsu (deceased)	50.00
	Hsu Yi Chu	50.00
Yuan-Ze University	U-Ming Marine Transport Corp.	55.21
	Far Eastern Medical Foundation	26.05
	Far Eastern New Century Corporation (Original from Far Eastern Textile Ltd.)	5.52
	Fu Ming Transportation Co., Ltd.	5.25
	Far Eastern Memorial Foundation	4.91
	Asia Cement Corporation	2.76
	Connie Hsu (deceased)	0.28
	Y. Z. Hsu (deceased)	0.01

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	Yu Chao-Chung (deceased)	0.01
Nan Shan Life Insurance Co. , Ltd.	Ruen Chen Investment Holding Co., Ltd.	89.55
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.34
	Y. T. Du	1.16
	Ruen Tai Shing Co., Ltd.	0.97
	Ruentex Development Co., Ltd.	0.23
	Ruentex Industries Ltd.	0.21
	Yen Sin Corporation	0.16
	Ruentex Leasing Co., Ltd.	0.13
	Chi-Pin Investment Company	0.11
	Pan City Co., LTD	0.09
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications	100.00
Der Ching Investment Corp.	Asia Cement Corporation	99.99
	Asia Investment Corp.	0.01
Far Eastern International Bank	Yu Yuan Investment Co., Ltd.	4.95
	Yue Li Investment Corp.	4.39
	Asia Investment Corp.	4.03
	Der Ching Investment Corp.	4.03
	Yue-Tung Investment Corp.	3.89
	Special Account for trust property of Far Eastern International Bank employee in custody of FEIB	3.73
	Yuan Ding Investment Co., Ltd.	3.56
	Kai Yuan International Investment Co., Ltd.	3.21
	Yuan Tong Investment Co., Ltd.	3.20
	Ding Yuan International Investment Corp.	2.64
Far Eastern New Century Corporation	Asia Cement Corporation	23.77
	Asia Eastern University of Science and Technology	4.81
	Far Eastern Medical Foundation	3.61
	Far Eastern Memorial Foundation	3.42
	Yuan-Ze University	2.74
	Nan Shan Life Insurance Co. , Ltd.	2.47
	Douglas Tong Hsu	1.71
	Chunghwa Post Co., Ltd.	1.56
	Der Ching Investment Corp.	1.55
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	1.33
Far EasTone Telecommunications Co., Ltd	Yuan Ding Investment Co., Ltd.	32.73
	Shin Kong Life Insurance Co., Ltd.	7.36
	Cathay Life Insurance Co., Ltd.	7.28
	NTT DOCOMO Inc.	4.71

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	Yuan Tong Investment Co., Ltd.	3.08
	ChungHwa Post Co., Ltd.	2.79
	An Ho Garment Co., Ltd.	1.25
	Labor Pension Fund (the New Fund)	1.18
	Taiwan Life Insurance Co, Ltd.	1.12
	Kai Yuan International Investment Co., Ltd.	1.09
Far Eastern Department Stores Co.,Ltd.	Far Eastern New Century Corporation	17.06
	Yuan Ding Investment Co., Ltd.	9.87
	Asia Cement Corporation	5.65
	Yuan Tong Investment Co., Ltd.	5.59
	Chia Yuan Investment Company	4.96
	Yuan-Ze University	4.75
	PJ Asset Management Co., Ltd.	4.52
	The committee of Employee Pension Fund of Far Eastern Department Stores Co., Ltd.	2.11
	Yu Yuan Investment Co., Ltd.	2.06
	Tranquil Enterprise Ltd.	2.03
U-Ming Marine Transport Corp.	Asia Cement Corporation	39.25
	Yuanta/P-shares Taiwan Dividend Plus ETF	4.36
	Yuan Ding Investment Co., Ltd.	1.05
	Yu Yuan Investment Co., Ltd.	0.94
	Asia Investment Co., Ltd.	0.92
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund Investor Shares	0.76
	Ya Li Transportation Corporation	0.75
	Standard Chartered Bank in Custody for ABS Direct Equity Fund Corp., - External Manager Asia Series 3 Dedicated Investment Account	0.71
	Ding Shen Investment Co., Ltd.	0.67
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.65
Oriental Union Chemical Corp.	Far Eastern New Century Corporation	9.17
	Yuan Ding Investment Company	8.00
	Asia Cement Corporation	7.20
	Yuan Tong Investment Co., Ltd	5.63
	Yu Yuan Investment Co., Ltd	3.75
	Kai Yuan International Investment Co., Ltd.	3.67
	Ding Yuan International Investment Co., Ltd.	3.09
	Ding Shen Investment Co., Ltd.	1.75

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.39
	An Ho Garment Co., Ltd.	1.26
Yuan Ding Investment Company	Far Eastern New Century Corporation	99.40
	Ta Chu Chemical Fiber Co.,Ltd.	0.30
	An Ho Garment Co.,Ltd.	0.30
Oriental Securities Co., Ltd.	Yuan Ding Investment Company	25.96
	Far Eastern Department Stores Co.,Ltd.	19.66
	Far Eastern New Century Corporation	19.65
	Asia Cement Corporation	18.93
	Bai Ding Investment Co., Ltd.	13.61
	An Ho Garment Co.,Ltd.	1.21
	Ta Chu Chemical Fiber Co.,Ltd.	0.51
	Douglas Tong Hsu	0.09
	Shaw Y. Wang	0.07
	Fan Yu Chen	0.03
Fu Da Transportation Co., Ltd.	Fu Ming Transportation Co., Ltd.	99.97
	Asia Investment Corp.	0.03
Yue-Tung Investment Corp.	U-Ming Marine Transport Corp.	73.54
	U-Ming Marine Transport (Singapore) Private Ltd.	26.46
An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	100.0
Ding Yuan International Investment Corp.	Far Eastern New Century Corporation	100.0
Ton Fu Investment Corp.	Oriental Union Chemical Corp.	100.0
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Ya Li Precast Prestressed Concrete Industries Corp.	Asia Cement Corporation	83.94
	Far-Eastern Construction Engineering Co.,Ltd.	16.03
Yuan Ding Co.,Ltd.	Far Eastern New Century Corporation	37.13
	Asia Cement Corporation	35.50
	Der Ching Investment Corp.	14.50
	Yuan Ding Investment Company	12.86
	Yu Ming Trading Corp.	0.002
	Far Eastern Department Stores Co., Ltd.	0.001
Bai Ding Investment Corp.	Far Eastern Department Stores Co., Ltd.	66.66
	Bai Yang Investment Corp.	33.34
Yu Ming Trading Corp.	Bai Ding Investment Co., Ltd	47.00
	Yuan Ding Investment Company	45.50
	Yue Ding Industry Co., Ltd.	5.00
	Yuan Ding Co., Ltd.	1.00

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	Ding & Ding Management Consultants Co., Ltd	1.00
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31
	Yu Ming Trading Corp.	1.53
Yue-Lee Investment Company	U-Ming Marine Transport Corp.	68.18
	U-Ming Marine Transport (Singapore) Private Ltd.	31.82

3.2.4 Information on Directors

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Douglas Tong Hsu	1. Please refer to section 3.2.1. 2. Please refer to Note 1 for the overall ability.	Not applicable.	0
Tsai Hsiung Chang			0
Johnny Shih			0
C.V. Chen			0
Kun Yen Lee			0
Peter Hsu			0
Chen Kun Chang			0
Ruey Long Chen			0
Champion Lee			2
Chin-Der Ou			0
Kwan-Tao Li			0
Chi Schive		All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of “Securities and Exchange Act” and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by Taiwan’s Securities and Futures Bureau. 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any the Company’s shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service”.	3
Gordon S. Chen			2
Yun-Pen Chu			2

* No director is subject to any of the provisions of Article 30 of the Company Act.

Note 1: Diversity and Independence of the Board of Directors:

The members of the 27th Board of Directors of the Company are all rich in business management, operational judgment and relevant industry knowledge, and their learning experience includes law, finance, economics, computer, sales, etc. The policy is to improve the number of female directors and independent directors as a reference for the next director re-election. The implementation of the Director Diversity Policy is described in the table below.

Name	Gender	Age	Serving as employee	Tenure Length of independent director	Director Diversity and Competence							
					Business Judgment	Management	Finance & Accounting	Legal & Business	Crisis Management	Industrial Knowledge	International Market Outlook	Leadership
Douglas Tong Hsu	M	>70			v	v	v	v	v	v	v	v
Tsai Hsiung Chang	M	>70	V		v	v	*	v	v	v	v	v
Johnny Shih	M	>70			v	v	v	v	v	v	v	v
C.V. Chen	M	>70			v	v	*	v	v	v	v	v
Chin-Der Ou	M	>70			v	v	*	v	v	v	v	v
Kun Yen Lee	M	>70	V		v	v	*	v	v	v	v	v
Peter Hsu	M	>70			v	v	*	v	v	v	v	v
Chen Kun Chang	M	>70	V		v	v	*	v	v	v	v	v
Ruey Long Chen	M	>70			v	v	v	v	v	v	v	v
Champion Lee	M	>70			v	v	v	v	v	v	v	v
Kwan-Tao Li	M	>70			v	v	*	v	v	v	v	v
Chi Schive	M	>70		6~9	v	v	v	v	v	v	v	v
Gordon S. Chen	M	60~69		6~9	v	v	v	v	v	v	v	v
Yun-Pen Chu	M	60~69		<3	v	v	v	v	v	v	v	v

* is referred to possessing partial ability.

All Directors are Taiwanese Citizens. For the education and experience of directors, as well as their other positions, please refer to section 3.2.1.

The ratio of directors served as employees is 21%. The ratio of independent directors is 21% of the Board of Directors.

2. Diversity and independence of the board of directors:

(1) Diversity of the Board of Directors:

The 3rd meeting of the 27th board of directors of the Company on November 12, 2020 adopted the "Code of Corporate Governance" and formulated a diversity policy in Chapter 3 "Strengthening the Functions of the Board of Directors". In addition, in 2017, the shareholders' meeting passed the amendment to the "Director Election Method", and detailed

the policy of diversification of the composition of the board of directors in Article 3. The Article 3 states that: “ The election of directors shall be pursued according to the number of position required; provided, however, that the independent and non-independent directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are two or more candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst them to determine. The chairperson shall conduct the drawing for the candidate who is absent.

Directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. In addition, the qualifications, independence conditions and other matters of independent directors shall comply with “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and other relevant laws and regulations.

The overall composition of the Board of Directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

Moreover, the professional qualifications, the assessment of independence and other matters of the independent directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations.”

The nomination and election of the board of directors of the Company follows the provisions of the company's Articles of Incorporation and adopts the candidate nomination system. In addition to evaluating the education and experience qualifications of each candidate, it also refers to the opinions of stakeholders, and abides by the "Director Election Rules" and "the Code of Corporation Governance" to ensure the diversity and independence of directors.

The objectives and implementation situation:

For members in the 27th board of directors, Douglas Tong Hsu, Tsai Hsiung Chang, Johnny Shih, Kun Yen Lee, Peter Hsu, Champion Lee, Chen Kun Chang are good at leadership, business judgment, management, crisis management, and have industry knowledge and international market views. C.V. Chen and Kwan-Tao Li specialize in legal affairs and business management. Ruey Long Chen served as Minister of Economic Affairs.

Chin-Der Ou served as the deputy mayor of Taipei City. Chi Schive and Gordon S. Chen are expert at administrative and financial affairs. Yun-Pen Chu was Minister without Portfolio

of the Executive Yuan.

To sum up, the members of the Board of Directors of the Company have indeed implemented the objectives of diversity.

The diversity policy of the Board is disclosed on the Company's website and the MOPS.

(2) Independence of the Board of Directors:

The current board of directors consists of 14 directors, including 3 independent directors, accounting for 21% of the total number of directors. Among the 14 directors, 11 have no relatives within the second degree. None of the three independent directors have kinship relationships with other directors. Please refer to the director's information for the relationship between the directors in section 3.2.1.

*** The Company elected 3 independent directors, Chi Schive, Gordon S. Chen and Yun-Pen Chu on the Shareholders' Meeting on June 23, 2020.**

3.2.5 Management Team

Title	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
				Shares	%	Shares	%		
President	Kun Yen Lee	Male	2000.08.01	2,361,557	0.0666	0	0	Chairman of Ya Tung Ready-Mixed Concrete Co., LTD	Director, U-Ming Marine Transport Corp.
Executive Vice President	Doris Wu	Female	2016.04.01	0	0	0	0	Bachelor degree in Accounting, California State University	Director, Oriental Securities Investment Advisory Co., Ltd
Vice President	C.M. Chen	Male	2007.07.01	39,801	0.0011	68,596	0.0019	Bachelor degree in International Trade, Tamkang University	Director, Ya Tung Ready-Mixed Concrete Co., LTD
Vice President	W.K. Chou	Male	2007.07.01	4,962	0.0001	4,962	0.0001	Bachelor degree in Law, Soochow University	Supervisor, Pan Asia Corporation
Vice President & General Plant Manager	Z.P. Chang	Male	2009.07.01	33,999	0.0010	53,588	0.0015	Bachelor degree in Electrical Engineering, National Taiwan University	Director, Asia Engineering Co.
Vice President	T.L. Yu	Male	2019.01.01	122,202	0.0034	98	0.0000	Bachelor degree in Business Administration, University of the Philippines	Director, Yu Yuan Investment Co., Ltd
Deputy Chief Auditor	W.H. Yeh	Male	2013.10.16	0	0	0	0	Bachelor degree in Accounting, Soochow University	Supervisor, Nan Hwa Cement Corp.
Special Assistant of President Office	T.M. Chen	Male	2011.01.01	147,268	0.0042	0	0	Bachelor degree in sociology, National Taiwan University	Director, Yu Yuan Investment Co., Ltd
Assistant Vice President	H.Y. Kao	Female	2013.10.16	832	0	467	0	Bachelor degree in Accounting, Soochow University	Director, Der Ching Investment Corp.
Assistant Vice President of Finance Dept.	Dana Lee	Female	2019.03.01	0	0	0	0	Master degree in Business Administration,, Soochow University	Supervisor, Ya Li Transportation Corp.

Title	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
				Shares	%	Shares	%		
Assistant Vice President of Finance Dept.	Karen Yang	Female	2019.03.01	8,971	0.0003	0	0	Master degree in Business Administration, Pace University USA	Supervisor, Der Ching Investment Corp.
Assistant Vice President of Secretarial Dept.	C.Y. Wang	Male	2021.01.01	0	0	0	0	PhD, University of Frankfurt, Germany	-
Assistant Vice President of Finance Dept.	Y.P. Lee	Female	2021.11.01	0	0	0	0	Bachelor degree in Accounting, National Chengchi University	-
Manager of Domestic Sales Dept.	C.H. Chung	Male	2018.09.01	0	0	0	0	Master degree in International Business Administration, Da Yeh University	Director, China Hi-Ment Corporation
Manager of Export Sales Dept.	Gary Lee	Male	2018.09.01	0	0	0	0	Master degree in International business, Soochow University	Director, Asia Cement (Singapore) Pte Ltd
Manager of the Hsinchu Plant	C.H Chuang	Male	2019.01.08	0	0	0	0	Bachelor degree in Mechanical Engineering, National Taiwan Institute of Technology	-

* There is no manager holding shares in the name of any other person.

* Managers are spouse or within second- degree of consanguinity to each other: None.

* All managers are Taiwanese citizens.

3.2.6 Remuneration of Directors, Supervisors, President, and Vice Presidents

1. Remuneration of Directors

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)				
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements			
																		Cash	Cash	
Chairman	Douglas Tong Hsu																			
Director	Far Eastern New Century Corp. Representatives: Tsai Hsiung Chang																			
Director	Johnny Shih																			
Director	C.V. Chen																			
Director	Yue Ding Industry Co., Ltd. Representative: Kun Yen Lee																			
Director	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation Representatives: Peter Hsu	12,236	17,804	0	0	155,570	162,503	984	2,208	1.120%	1.211%	7,592	10,793	216	216	5,069	5,069	1.206%	1.318%	207,557
Director	Chen Kun Chang																			
Director	Ta Chu Chemical Fiber Co.,Ltd Representative: Ruey Long Chen																			
Director	Far Eastern Medical Foundation Representative: Champion Lee																			
	Bai-Yang Investment Holdings Corp Representative:																			

Director	Chin-Der Ou																			
Director	U-Ming Corp Representative: Kwan-Tao Li																			
Independent Director	Chi Schive Gordon S. Chen Yun-Pen Chu	0	0	0	0	6,400	6,400	400	400	0.045%	0.045%	0	0	0	0	0	0	0.045%	0.045%	0

* In addition to the above remuneration, director remuneration received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: None.

* Please refer to Consolidated Operational Report for the list of All Companies.

* Pensions funded according to applicable laws.

* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.

* Director Tsai Hsiung Chang is assigned one vehicle. The monthly rental is NT\$ 46,200, and the annual remuneration of the driver is about NT\$ 700,000.

* Director and President Kun Yen Lee is assigned one vehicle. The monthly rental is NT\$ 50,300, and the annual remuneration of driver is about NT\$ 700,000.

* Within recent two fiscal years, all ACC directors' remuneration accounted for 1.329% and 1.251% of ACC net income. Total directors' remuneration paid by all companies listed in consolidated operational report accounted for 1.423% and 1.363% of net income received from those companies.

* Connie Hsu resigned as a director due to her death; Results of the re-election of independent directors: Huang Ta-chou retired, and Yun-Pen Chu was newly appointed.

Classification of Remuneration Paid to ACC Directors	Name of Directors			
	A+B+C+D (Please refer to listed information above)		A+B+C+D+E+F+G (Please refer to listed information above)	
	ACC	All companies listed in Consolidated Operational Report	ACC	All companies listed in Consolidated Operational Report
Under NT\$1,000,000	Yue Ding Industry Co., Ltd., Chen Kun Chang, Ruey Long Chen, Champion Lee, Chin-Der Ou	Yue Ding Industry Co., Ltd., Ruey Long Chen, Champion Lee, Chin-Der Ou	Yue Ding Industry Co., Ltd., Chen Kun Chang, Ruey Long Chen, Champion Lee, Chin-Der Ou	Yue Ding Industry Co., Ltd., Ruey Long Chen, Chin-Der Ou
NT\$1,000,000~NT\$2,000,000	C.V. Chen, Kwan-Tao Li	Chen Kun Chang, C.V. Chen, Kwan-Tao Li	C.V. Chen, Kwan-Tao Li	C.V. Chen
NT\$2,000,000~NT\$3,500,000	Chi Schive, Gordon S. Chen, Yun-Pen Chu	Chi Schive, Gordon S. Chen, Yun-Pen Chu	Chi Schive, Gordon S. Chen, Yun-Pen Chu	Kwan-Tao Li, Chi Schive, Gordon S. Chen, Yun-Pen Chu
NT\$3,500,000~NT\$5,000,000	-	-	-	Chen Kun Chang
NT\$5,000,000~NT\$10,000,000	Tsai Hsiung Chang, Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and	Tsai Hsiung Chang, Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and	Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology	Champion Lee, Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and

	Technology Memorial Foundation, U-Ming Corp, Far Eastern Medical Foundation	Technology Memorial Foundation, U-Ming Corp, Far Eastern Medical Foundation	Memorial Foundation, U-Ming Corp, Far Eastern Medical Foundation	Technology Memorial Foundation, U-Ming Corp, Far Eastern Medical Foundation
NT\$10,000,000~NT\$15,000,000	Johnny Shih, Kun Yen Lee, Peter Hsu,	Kun Yen Lee, Peter Hsu,	Tsai Hsiung Chang, Johnny Shih, Peter Hsu,	Tsai Hsiung Chang
NT\$15,000,000~NT\$30,000,000	Douglas Tong Hsu, Far Eastern New Century Corp.	Far Eastern New Century Corp., Johnny Shih,	Douglas Tong Hsu, Kun Yen Lee, Far Eastern New Century Corp.	Far Eastern New Century Corp., Kun Yen Lee
NT\$30,000,000~NT\$50,000,000	-	Douglas Tong Hsu	-	Johnny Shih
NT\$50,000,000~NT\$100,000,000	-	-	-	Peter Hsu,
Over NT\$100,000,000	-	-	-	Douglas Tong Hsu
Total	21	21	21	21

2. The link between performance evaluation and remuneration of directors and managers:

A. the link between director performance evaluation and remuneration:

- a. Executive directors may be paid according to the Article 20 of AOI, and shall be approved by the Board of Directors with reference to industry and peer standards. Every year, the annual performance evaluation is made based on individual performance and company performance similar with senior managers.
- b. Attendance fee paid to independent directors serving as members of the Remuneration Committee is in the same standards of affiliated companies, while the attendance fee of independent directors serving as the convener has increased.
- c. Attendance fee paid to independent directors serving as members of the Audit Committee is in the same standards of affiliated companies, while the attendance fee of independent directors serving as the convener has increased.
- d. Article 25 of the AOI stipulates that the remuneration for directors is not more than 2.5% of profit of the current year. The directors' remuneration shall be distributed according to the following principles after the Board of Directors has considered the Company's operating performance and passed the distribution ratio amount:
 - (a) The remuneration of directors is allocated first to the legal person. The legal person is then redistributed based on the director's role and performance to the directors.
 - (b) For a director who is a natural person, his contribution and professional field to the BOD, Remuneration Committee and Audit Committee would be the reference standard of payment.

- e. Performance evaluation and remuneration are reviewed by the Remuneration Committee and the Board of Directors, and are reviewed based on actual operating conditions, future industry risks and relevant laws and regulations.

B. the link between manager performance evaluation and remuneration:

- a. The monthly salary of the Company's managers is fixed according to the system, and the rest of the bonuses are awarded according to the purpose of the bonus, such as energy-saving standards, clinker production bonus and attendance bonus. The overall salary level is based on the salary surveys of the cement industry and external professional consulting companies.
- b. Article 25 of the AOI stipulates that if a profit is made in the year, 0.1% to 4% shall be set aside for employee compensation. Managers' performance appraisal will affect their annual employee remuneration.
- c. For managers who are also responsible for ACC (China) affairs, due to increased responsibilities, their annual remuneration may exceed that of equivalent or higher-level managers.
- d. Although the cement industry is a traditional industry, future risk control is part of the manager's annual performance evaluation
- e. The distribution of bonuses also discourages managers from surpassing company risks in pursuit of remuneration.

C. The succession planning of the Company's Board of Directors and important managers

Member of the Board of Directors:

- a. In 2017, the Shareholders' meeting amended the "Director Election Rules" which stipulates the director diversity policy in article 3.
- b. The Company complies with the Company's AOI and the board of directors adopts the nomination system for candidates. In addition to assessing the academic experience of each candidate, and referring to the opinions of stakeholders, abide by the "Director Election Rules" and "Corporate Governance Code" to ensure the diversity and independence of directors.
- c. 14 directors of the Company's 27th Board of Directors, including 3 independent directors, professional knowledge includes leadership, management, crisis management, industrial knowledge and international outlook, public welfare, legal affairs, legal compliance, economics, administration, finance , Agriculture, etc.
- d. The succession of directors is partly from the senior executives of the company, but most of them still have to be promoted from the talent pool of the national society, especially independent directors who emphasize independence.
- e. The Far Eastern Group to which the company belongs has a corporate culture that values corporate governance and talents. Due to the long-term succession planning, there are many companies with professional managers as general managers, vice chairman and chairman of the group.

Important managers:

The Company has cooperated with Yuanzhi University to set up a "training class" for corporate elites. Course training, followed by 30 high-level conference internships and 30 special seminars, the training has achieved good results. At present, more than 95% of the trainees have been promoted. In addition, trainees need to receive about 12 hours of back-training courses every year, also be responsible for various important projects of the company, and participate in the company's decision-making, in order to continue to grow both in theory and practice. Due to the effectiveness of the training, this training plan model has been copied to all subsidiaries of ACC (China).

3. Remuneration of President and Vice Presidents

Unit: NT \$ 1000

Title	Name	Salary(A)		Pensions(B)		Reward and Allowance etc. (C)		Employees bonus from Distributable Earnings (D)		Total Amount (A+B+C+D)/Net Income		Other remuneration from investment business except subsidiary
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	
								Cash Bonus	Cash Bonus			
President	Kun Yen Lee	16,772	17,174	648	648	5,313	5,487	14,859	14,859	0.249%	0.253%	678
Executive Vice President	Doris Wu											
Vice President	C.M. Chen											
Vice President	W.K. Chou											
Vice President	T.L. Yu											
Vice President & General Plant Manager	Z.P. Chang											

* Please refer to Consolidated Operational Report for the list of All Companies.

* Pensions funded according to applicable law.

* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.

* Within recent two fiscal years, total remuneration of the President and Vice Presidents accounted for 0.270% and 0.249 of ACC net income. Total amount of President and Vice Presidents' remuneration paid by all companies listed in consolidated operational report accounted for 0.274% and 0.253% of net income received from those companies.

Classification of Remuneration Paid to ACC President and Vice Presidents	Name of President and Vice Presidents	
	ACC	All companies listed in Consolidated Operational Report
NT\$2,000,000~NT\$3,500,000	-	-
NT\$3,500,000~NT\$5,000,000	-	-
NT\$5,000,000~NT\$10,000,000	Kun Yen Lee, Doris Wu, C.M. Chen, T.L. Yu, Z.P. Chang, W.K. Chou	Kun Yen Lee, Doris Wu, C.M. Chen, T.L. Yu, Z.P. Chang, W.K. Chou
Total	6	6

* The remuneration of President and Vice Presidents is divided into two parts:

1. Monthly salary based on fixed salary rank.

2. Based on ACC's bonus system, bonus and compensation are distributed mainly in consideration of the Company's operating performance and individual annual performance.

* The Remuneration Committee has approved current remuneration system for the President and Vice Presidents.

3.2.7 Employees Remuneration to Management Team

	Title	Name	Stock Bonus	Cash Bonus	Total Amount	Total Amount/Net Income
Executive Officers	President	Kun Yen Lee	0	23,860	23,860	0.1583%
	Executive Vice President	Doris Wu				
	Vice President	C.M. Chen				
	Vice President	W.K. Chou				
	General Plant Manager	Z.P. Chang				
	Senior Assistant Vice President	T.L. Yu				
	Deputy Chief Auditor	W.H. Yeh				
	Special Assistant of President Office	T.M. Chen				
	Manager of Accounting Dept.	H.Y. Kao				
	Assistant Vice President	Dana Lee				
	Assistant Vice President	Karen Yang				
	Assistant Vice President	C.Y. Wang				
	Assistant Vice President	Y.P. Lee				

* The 2021 managers' remunerations have been approved by the BOD and will be reported to 2022 Shareholders' Meeting.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

There are 7 meetings of the Board of Directors held in the period from January 1, 2021 to May 10, 2022. Directors' attendance condition was as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate	Notes
Chairman	Douglas Tong Hsu		7	0	100%	Reappointment Jun.23, 2020
Director	Representatives of Far Eastern New Century Corp.	Tsai Hsiung Chang	6	1	86%	Reappointment Jun.23, 2020
		Johnny Shih	7	0	100%	Reappointment Jun.23, 2020
		C.V. Chen	6	1	86%	Reappointment Jun.23, 2020
Director	Representative of Yue Ding Industry Co., Ltd.	Kun Yen Lee	7	0	100%	Reappointment Jun.23, 2020
Director	Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Peter Hsu	7	0	100%	Reappointment Jun.23, 2020
		Chen Kun Chang	7	0	100%	Reappointment Jun.23, 2020
Director	Representative of Ta Chu Chemical Fiber Co.,Ltd	Ruey Long Chen	7	0	100%	Reappointment Jun.23, 2020
Director	Far Eastern Medical Foundation	Champion Lee	6	1	86%	Reappointment Jun.23, 2020
Director	Bai-Yang Investment Holdings Corp.	Chin-Der Ou	7	0	100%	Reappointment Jun.23, 2020
Director	U-Ming Corp.	Kwan-Tao Li	7	0	100%	Reappointment Jun.23, 2020
	Chi Schive		7	0	100%	Reappointment Jun.23, 2020
	Gordon S. Chen		7	0	100%	Reappointment Jun.23, 2020
	Yun-Pen Chu		7	0	100%	Appointment Jun.23, 2020

* Each Board of Directors Meeting has at least 2 independent director who attended the meeting in person, which meets the requirements of Article 7 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies

3.3.2 Other mentionable items:

1. Board of Directors

A. Items listed in the Article 14-3 of the Securities Exchange Act: Please refer to 3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings

B. Except for the above matters, the three independent directors of the Company gave us valuable opinions with no objections or reservations on all discussed matters. The directors' statements were all set out in the minutes of the board meeting.

2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified: None for the period from 2021.01.01~2022.05.10.

3. The implementation of the Board evaluation:

Evaluation frequency and period	Evaluation scope	Evaluation content:	Result 1~5
Every year 2021.01.01~ 2021.12.13	Board of Directors	Participation level, decision-making quality, composition and structure, director selection and continuing education, internal control and other items.	4.6
Every year 2021.01.01~ 2021.12.13	Directors	Company goals and tasks, awareness of directors' responsibilities, degree of participation, internal relationship management and communication, directors' professional and continuing education, internal control and other projects.	4.72
Every year 2021.01.01~ 2021.12.13	Remuneration Committee	Participation, recognition of responsibilities, improvement of decision-making quality, composition and selection of members, internal control and other items.	4.86
Every year 2021.01.01~ 2021.12.13	Audit Committee	Participation, recognition of responsibilities, improvement of decision-making quality, composition and selection of members, internal control and other items.	4.77
Every year 2021.01.01~ 2021.12.13	Sustainability Committee	Participation, recognition of responsibilities, improvement of decision-making quality, composition and selection of members, internal control and other items.	4.43

4. Measures taken to strengthen the function of the Board:

Goals:

To enhance corporate governance and the function of the Board by enacting "the Procedures for Evaluating the Board of Directors' Performance"

Implementation Status and Assessment:

A. In order to strengthen the functions of the Board of Directors and enable the Board of Directors to make objective and independent judgments on the company's finances and business, the Company established the Audit Committee on June 27, 2017.

B. The Board enacted "the Procedures for Evaluating the Board of Directors' Performance" on May 13, 2015 and disclosed on the Company's website. The Procedures has been revised on

March 25, 2021.

- C. The annual performance evaluation of the board of directors, directors and functional committees is disclosed on the board of directors and the company's website.
- D. In the past years, the score of evaluation has remained on high level, which is due to the fact that members of the board of directors attach importance to assessment indicators and assessment standards and cooperate with implementation. It is helpful to further implement the Company's corporate governance and enhance the board's functions.
- E. Since 2007, the Company's website has disclosed important resolutions of the BOD, annual reports, AGM meeting handbooks and meeting records in order to enhance the transparency of the Company's information and protect the rights and interests of shareholders.
- F. In order to strengthen corporate governance, the Company has insured directors, supervisors and important staff liability insurance since 2018.
- G. The Corporate Governance Officer and Secretarial Department faithfully plays the role of reminding directors to follow regulations and is respected by the directors.

3.3.3 Annual priorities of Audit committee

The Audit Committee is designed to assist the Board in fulfilling its quality and integrity in overseeing the Company's accounting, auditing, financial reporting processes and financial controls.

The annual priorities reviewed by the Audit Committee mainly include: financial statements; audit and accounting policies and procedures; internal control systems and related policies and procedures; significant assets or derivatives transactions; major loans, endorsements or guarantees; raising or issuing securities; derivative products and cash investments; compliance; potential conflicts of interest for managers and directors; complaint report; fraud prevention and fraud investigation report; information security; company risk management; CPA independence and performance evaluation; appointment, dismissal or remuneration of CPA; appointment and dismissal of financial, accounting or internal audit managers; and other major matters prescribed by laws and regulations.

According to the laws, members of the Audit Committee shall be composed of all independent directors. The members of the Audit Committee of the Company has complied with the above-mentioned laws.

The Audit Committee of the Company fully understands that in order to perform its duties, it has the right to conduct any appropriate audits and investigations, and has direct communication with the Company's internal auditors, CPA, and all employees. At the same time, the Audit Committee also understands it has the right to hire and supervise lawyers, accountants or other consultants to assist the Audit Committee in performing its duties.

Please refer to the Company's website for the organization and working procedures of the Audit Committee of the Company.

3.3.4 Attendance of Audit committee

There are 6 meetings of the Audit committee held in the period from January 1, 2021 to May 10, 2022. Independent directors' attendance condition was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Notes
Convener	Yun-Pen Chu	6	0	100%	-
Member	Chi Schive	6	0	100%	-
Member	Gordon S. Chen	5	1	83%	-

Other mentionable items:

1. Items listed in Article 14-5 of the Securities Exchange Act:

Meeting date	Items	Items listed in Article 14-5 of the Securities Exchange Act:	The resolution of the audit committee's and the Company's handling
2021/03/19	Audit report of 2020 Q4.	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2020 consolidated financial report and individual financial report	V	
	2020 dividend distribution	V	
	Approval to 2020 "Internal Control System Statement"	V	
	Appointment of accountants auditing the financial statements for 2021	V	
	Termination of overseas depositary receipts (GDR) issued on the London Stock Exchange	V	
	Proposed to issue medium and long-term unsecured commercial paper with total amount not exceeding NT\$10 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure.	V	
2021/05/10	Communication meeting between independent directors and internal audit and CPA	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all
	Audit report of 2021 Q1	V	
	Consolidated financial report of 2021 Q1	V	
	Board of Directors and Functional Committee Performance Evaluation of 2020	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	

	In order to raise working capital, the Company applied for credit from financial institutions.	V	attended directors the approved without objection.
	To amend the 2021 audit plan	V	
	Report the company's 2020 annual business report	V	
	Set the base date for issuance of new shares for the Company's third overseas unsecured conversion bonds.	V	
	Set up the company's "Corporate Sustainability Committee" and amend the company's "Corporate Sustainability Policy".	V	
2021/07/28	Audit report of 2021 Q2	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Consolidated financial report of 2020 H1	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	Set the base date for issuance of new shares for the Company's third overseas unsecured conversion bonds.	V	
2021/11/10	Audit report of 2020 Q3	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Consolidated financial report of 2020 Q3	V	
	Implementation of Integrity Management in 2020	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	The implementation report of the Company's first unsecured corporate bond in 2021	V	
	To amend the 2021 audit plan	V	
	Set the base date for issuance of new shares for the Company's third overseas unsecured conversion bonds.	V	
	To issue unsecured corporate bond with total amount not exceeding NT\$15 billion.	V	
	Renewal of liability insurance for directors, supervisors and important employees of the company and its subsidiaries	V	
2022/03/07	Audit report of 2021 Q4.	V	All members present at the meeting agreed to pass the items and submitted it
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	

	2021 consolidated financial report and individual financial report	V	to the board of directors in which all attended directors the approved without objection.
	2021 dividend distribution	V	
	Approval to 2021 "Internal Control System Statement"	V	
	Amendment To “Articles Of Incorporation Of Asia Cement Corporation”	V	
	Amendment To “Procedure For Acquisition And Disposal Of Assets”.	V	
	Amendment To “Procedure For Making Endorsements And Guarantees”.	V	
	Amendment To “Procedure For Loan To Others”.	V	
	Appointment of accountants auditing the financial statements for 2022.	V	
	To issue Cross Currency Swap with total amount not exceeding USD \$200 million	V	
2022/05/06	Communication meeting between independent directors and internal audit and CPA	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Audit report of 2021 Q1	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2021 annual business report	V	
	Consolidated financial report of 2022 Q1	V	
	Set the base date for issuance of new shares for the Company’s third overseas unsecured conversion bonds.	V	

There are no other matters that did not pass the audit committee and agreed by more than two-thirds of all directors.

2. If there is Independent Directors’ avoidance of motions in conflict of interest, the Independent Directors’ names, contents of motions, causes for avoidance and voting should be specified:
None.

3. Communications with internal audit manager and CPA:

(1) Internal audit manager reports the plans and execution of audit works to Independent Directors every quarter and implement the instructions and follow-up of each independent director.

(2) CPA and accounting manager report financial and operation business to Independent Directors every quarter

Meeting date	Items discussed with internal auditor	Items discussed with CPA
2021/03/19	1. Audit report of 2020 Q4. 2. To issue Internal Control System statement.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions

Meeting date	Items discussed with internal auditor	Items discussed with CPA
		5. Key review items. 6. Suggestions and communication matters.
2021/05/10	1. Communication meeting between independent directors and internal audit. 2. Audit report of 2021 Q1.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Other communication matters.
2021/07/28	Audit report of 2021 Q2.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Other communication matters.
2021/11/10	1. Audit report of 2021 Q3. 2. To approve 2022 audit plan	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Other communication matters. 6. Annual financial statement review plan. 7. Major risks 8. Key review items. 9. Regulations updates
2022/03/07	1. Audit report of 2021 Q4.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Key review items. 6. Suggestions and communication matters.
2022/05/06	1. Communication meeting between independent directors and internal audit. 2. Audit report of 2022 Q1.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Other communication matters. 6. Regulations updates

The three independent directors of the Company gave us valuable opinions with no objections or reservations on all discussed matters. The directors' statements were all set out in the minutes of the Audit Committee meeting.

- Communication meeting between independent directors and internal audit
Date: May 6, 2022
Attendees: Independent Directors: Yun-Pen Chu, Chi Schive, Gordon S. Chen (proxy)
Chief Auditor: W.H. Yeh
- Communication meeting between independent directors and CPA
Date: May 6, 2022
Attendees: Independent Directors: Yun-Pen Chu, Chi Schive, Gordon S. Chen (proxy)
Deloitte & Touche: Shin Wei Dai 、Pei De Che, Wen Ling Liu

3.3.5 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Codes with reference to “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on Nov. 11, 2014 and revised on Nov 11, 2020. The information has been disclosed on MOPS and the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has appointed spokesman or his deputy as well as stock agency, Oriental Security Corporation, to handle these issues. If involved in litigation matters, the spokesman will handle that with the Secretarial Department, and legal staff. If significant event happens, legal consultants, Lee and Li, and accounting consultants, Deloitte & Touche, will help deal with the matter. This complies with our internal operating procedures.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company keeps tracking the list of shareholders and follows the Article 3 of Market Information Post Regulation Reporting by Listed Companies to post related information before 31th July.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		In addition to enacting “Regulations for Monitoring Subsidiaries” as the risk management mechanism for its subsidiaries, the Company has also enacted “Regulations for Managing Client’s Credit” and assigned the Credit Committee to be responsible for risk control of accounts receivable. Meanwhile, to establish risk management and firewall, we have signed up with affiliates for “Procedures of Assets Acquisition and Disposal”, “Procedures for Loaning of funds to Others”, “Procedures for Endorsement and Guarantee,” and “Rules on the Management of Related Party Transaction.” The Auditing Department will report regularly to the Board of Directors and Audit Committee about any abnormal conditions and their improvements. The Auditing Department will also report to the Financial Supervisory Commission and other government agencies in accordance with relevant regulations.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Board of Director approved “the Procedure Dealing with Internal Material Information of Asia Cement Corporation” on Dec. 21, 2009, and revised it on Aug. 10, 2017. It states that “directors, supervisors, managers and other employees shall not disclose internal material information to others, nor involve in any transaction of the Company’s stock or any other	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			forms of security.” The Procedure has been post on the Company’s website and internal bulletin board.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		On November 12, 2020, the board of directors of the Company revised the "Corporate Governance Code" and formulated a diversification policy in Chapter 3 "Strengthening the Functions of the Board". In addition, in 2017, the shareholders' meeting passed an amendment to the "Director Election Rules", which specified the diversification policy for the composition of the board of directors in Article 3. The Company adopts candidate nomination system for the election of directors. In addition to the assessment of each candidate's education and experience, opinion of the stakeholder and full compliance with “the election rules for directors ” and “Corporate Governance Codes” are also considered to ensure the diversity and independence of directors. In the members of the 27th Board of Directors, there are members who have abilities of leadership, operation analysis, management, crisis management, industry knowledge and international view, such as Douglas Tong Hsu,	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		Tsai Hsiung Chang, Johnny Shih, Peter Hsu, Kun Yen Lee, and Chen Kun Chang. C.V. Chen and Kwan-Tao Li specialize in legal matters. Ruey Long Chen served as Minister of Economy. Chin-Der Ou served as vice mayor of Taipei City. As for independent directors, Chi Schive, and Gordon S. Chen, they are expert in administrative management and financial matters. Yun-pen Chu, an independent director elected on June 23, 2020, is a well-known economist. He was the chairman of the Insurance Stability Fund, Councilor of the Executive Yuan, the director of the Taiwan Economic Development Research Center of National Central University, a member of the Fair Trade Committee, and Director of Institute of Social Sciences, Academia Sinica etc. In summary, the present members of the Board do have diversity. (Note 1) The diversified policy for the composition of the Board of Directors has been disclosed on the Company’s website and MOPS. The Company has established Remuneration Committee and Audit Committee pursuant to government regulations. Other voluntarily established functional committees are: <u>Sustainability Committee:</u> Directly report to the Board of Directors. In	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V		charge of the guidance of promoting corporate sustainability and the supervision of implementing corporate sustainability policy, systems, or related management principles, and periodically reporting to Board of Director. <u>Sustainability Implementation Committee:</u> Responsible for 1. Comply and disclose the information of corporate sustainability. 2. Plan and implement the corporate sustainability program. 3. Collect and submit the information of external assessment on corporate sustainability. <u>Human Resource Committee:</u> Review and advice to modify the Company’s organization structure, rules of personnel management, and other important human resource matters with reference to the Universal Declaration of Human Rights and International Labor Conventions. <u>Credit Committee:</u> Execute “Regulations for Managing Client’s Credit” enacted by the Company and take charge of risk control of account receivable. <u>IT Steering Committee:</u> Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management and provide strategy to prevent the risk of information security and its efficiency.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly assess the independence of accountants?			The company enacted “Procedures for Evaluating the Board’s Performance” on May 13, 2015 and revised on Mar. 25, 2021. The functional committee performance evaluation method was also passed on March 25, 2021. The evaluation conducts annually. The performance evaluation results of the board of directors, audit committee and remuneration committee in 2020 are "exceeding standards", which is sufficient to show the company's results in strengthening the effectiveness of the board of directors. The evaluation results are reported to the Board of Directors and remuneration committee for reference in payment of remuneration and nomination for renewal. Beginning in 2021, the performance evaluation of the Board of Directors will be conducted by external experts every three years. The relevant board performance evaluation methods and evaluation procedures are disclosed on the company's website. 1. The Company appointed Xin Wei Tai and Yu Wei Fan of Deloitte & Touche to audit 2020	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			financial statements. The independence assessment of these two CPAs was based on Article 47 of the Accountants Law and related regulations. The result has been approved on March 23, 2018 and March 25, 2020 by the Audit Committee and Board of Directors. 2. In 2021, due to internal function adjustments in Deloitte & Touche-Taiwan, it adjusted the Company’s CPA to You Wei Fan and Peide Chen. The independent assessment and qualifications of the CPA have been submitted to the Audit Committee on March 19, 2021 and the Board of Directors on March 25, 2021. 3. The Audit Committee and the Board of Directors meeting will regularly in March each year to assess the independence of CPAs.	
4. Does the company establish specialized units or dedicated members and personnel responsible for corporate governance affairs, as well as carrying out key actions and reporting statuses (e.g. : including but not limited to provide the information that board directors and supervisors request to perform their duties, ensuring the general affairs of board meetings and shareholders’ meetings are held in accordance with regulations, applying and changing of company registration, and taking meeting minutes for board meetings and shareholders’ meetings.)	V		1. On May 10, 2019, the Board of Directors appoints Vice President, Wei Kun Chou of the Secretarial Dept. as the Corporate Governance Officer. The secretarial Dept. serves as the secretary of the board of directors to promote corporate governance. Each member of the Secretarial Dept. has more than 20 years' working experience in the management of legal affairs and board affairs. 2. The main responsibilities are as follows: • Convene internal corporate governance regulations seminars twice a year. • Develop company and organizational	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			structure to promote the independence of the board of directors, transparency, corporate governance, and internal control. • Plan to convene the Board of Directors and Audit Committee and their agenda at least prior 7 days before the meetings with sufficient meeting information to facilitate the directors to understand the contents of the relevant issues and conflict of interests in advance. • To registry the date of the shareholders' meeting every year, and to issue the meeting notice, annual report and handbook in both English and Chinese. The relevant documents shall be approved by the vice president and president. • To survey the Board's performance evaluation and report to the board of directors annually. 3. Training hours for Corporate Governance Officer have been declared to MOPS according to the regulations.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company provides “Stakeholder Area” section of the Company’s website for the communication channel with shareholders and stakeholders with respect to any CSR issues. http://www.acc.com.tw/	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates stock agency, Oriental Security Corporation, to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a Chinese/English website (www.acc.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has assigned a spokesman or his deputy to handle information collection and disclosure. The Company will also convene the institutional investors’ conference upon request and post relevant information on MOPS and ACC website. Please refer to Section 3.3.5 8(2) Investor Relations of this Annual Report.	None
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) Status of employee rights and employee wellness: Please refer to the “Section 5.5 Labor Relation” of this Annual Report. (2) Investor Relations: For the efficient communication between investors and the Company, in addition to the spokesman or his deputy, the Company specifies its Finance Department to serve as investor relation contact. Moreover, the Company will attend or hold investor conference if necessary. In order to ensure the information symmetry of disclosure, the	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Company will post relevant information and materials to MOPS and the Company's website. (3) Supplier relations: The Company regards our suppliers as partners. Except requiring good service, high quality, and reasonable prices to our suppliers, the Company also brings our construction contractors into its safety management system, and set up safety regulations for contractors, such as access control and issuing construction permission, and holds training courses to help contractors fulfill safety requirements. (4) Stakeholders' Rights: For the transparency and timely disclosure of the Company, the information of finance, business, and corporate governance could be accessed on the Company's website and MOPS in both Chinese and English. (5) The training for directors: Please refer to section 3.3.8 for detail. (6) Risk managements and assessments: Based on the principles of “protecting assets, promote interests, reducing damages and ensuring sustainable development” of the Company, the Company forms its company organization with functions of risk management. Please refer to section 3.1.2 for detail. Besides of routine business goals,	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			each department of the Company would timely adjust to rapidly changing world for risk management. (7) Customer policy: The Company serves its customers with the principles of “good service, high quality, and reasonable prices, and customer-oriented”. The Company will also meet all customers’ need by stringent quality control. (8) Responsibility insurance purchase for directors and supervisors: On November 8, 2019, the Board of Directors agreed to renew the liability insurance for directors, and supervisors, and important employees of the Company and affiliates in the consolidated financial statements, and it took effect on December 1, 2019.	
9. Base on the result of ”Corporate governance Evaluation” announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven’t been improved :	V		The Company was scored 92.93 and ranked 6%~20% in “the 2021 Corporate Governance Evaluation” by the TWSE. This year will focus on improving non-scored items: whether the company website or annual report exposes the integrity management policy, as well as the specific practices and prevention of dishonesty. <u>Improvement:</u> 1. On March 25, 2020, the board of directors of the Company revised the Principles for Ethical Management with reference to the regulation of	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Taiwan Stock Exchange. According to Article 8 of the revised principles, the Company requires directors and senior management to issue a statement of compliance with the ethical management policy. Statement and commitment to actively implement the implementation in internal management and business activities will be documented and properly preserved. 2. On November 12, 2021, Human Resources Dept. which is responsible to ethical management reported the implementation of the following matters: a. Education, b. formulating rules and regulations, c. following the principle of conflict of interest, d. supplier management, e. report illegal and integrity violations, f. training in 2021, g. human rights policy. Please refer to section 3.3.8 about the management practices and annual implementation of the Company.	

3.3.6 The Composition, Duty, and Implementation Status of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Members of the Remuneration Committee

Position	Name	Criteria	Professional qualifications and experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Members of the Remuneration Committee
Independent Director 、Convener	Chi Schive		Please refer to the annex “Disclosure of information on the professional qualification and independence of Board Director” on section 3.2.4 of this annual report for details.	Please refer to the annex “Disclosure of information on the professional qualification and independence of Board Director” on section 3.2.4 of this annual report for details.	1
Independent Director	Yun-Pen Chu				1
Others	M.X. Lin		Ms. M.X. Lin, graduated from Department of Industrial Education of National Taiwan Normal University with Master degree. She worked at Far EasTone as Human Resources vice president.	None of the matters in Note 1 occurred	1

Note 1: Independence requirement: The independence of the members of the Remuneration Committee, including but not limited to whether the members, their spouse, or relatives within the second degree of kinship are serving as directors, supervisors, or employees of the Company or the Company’s affiliates; the shareholding and shareholding ratio held by the members, their spouse, or relatives within the second degree of kinship (or held in the name of others); whether they are serving as directors, supervisors, or employees of a company that has a specific relationship with the Company; and the amount of remuneration received for providing business, legal, financial, and accounting services to the Company or the Company’s affiliates.

2. Implementation Status of the Remuneration Committee

There are 3 members of the Remuneration Committee. Their terms of office start from Aug. 11, 2020. Totally, 2 meetings of the Remuneration Committee were held in the latest year. Members' attendance condition was as follows:

Position	Name	Attendance in Person	Attendance in Proxy	Attendance rate	Notes
Convener	Chi Schive	2	0	100	Incumbent
Member	Yun-Pen Chu	2	0	100	Incumbent
Member	M.X. Lin	2	0	100	Incumbent

Other mentionable items:

1. If the board of directors declined to adopt, or modified a recommendation of the Remuneration Committee, please specify the date, term, content, resolution, and the Company's processing situations for Remuneration Committee's resolution: None.
2. If any objections or reservations expressed by any committee member in record or in written to Remuneration Committee's resolution, please specify the date, term, content, and the committee's processing situations for objections or reservations: None.

Meeting Date	Discussion item	Approve	Opinion processing situations
2021/11/10	2020 directors', president's, and vice presidents' remuneration, and the situation of the cement industry	V	All members present at the meeting agreed to pass the items without objection.
2022/03/07	President and vice president's 2021 performance evaluation	V	
	Salary increment	V	
	2021 directors' and employees' remuneration	V	
	President and vice president's 2022 performance evaluation items	V	

*The Compensation and Remuneration Committee holds two meetings a year, and all committee members attend twice.

Note: 1. If there is a Remuneration Committee member resigned before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the total number of Remuneration Committee meetings held and the actual number of attendance (present) during the term of office.

Note: 2. If there is a Remuneration Committee re-election held before the end of the year, both the newly elected members and the dismissed members shall be illustrated; also, the information of the dismissed members, newly elected members, re-elected members, and the election date should be detailed in the "Remarks" column. The actual attendance rate (%) is calculated based on the total number of Remuneration Committee meetings held and the actual number of attendances during the term of office.

3.3.7 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1.Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	☒		1. The Company was authorized by its board of directors to establish a Corporate Sustainability Committee on July 28, 2021 with five directors, including Gordon S. Chen, Chi Schive, Yun-Pen Chu, Peter Hsu, and Kwan-Tao Li, as its members. Under the CEO, the Sustainability Implementation Committee is established, and it is responsible for the compilation and disclosure of corporate sustainability information, project planning and implementation, and the coordination and submission of external evaluations in accordance with relevant laws and regulations. 2. The Sustainability Implementation Committee is chaired by the CEO, with the four vice general managers of the Company as its members. The Sustainability Implementation Committee has the authority and responsibility including to approve the annual ESG plan, oversee the effectiveness of ESG implementation, and report to the Sustainability Committee and the Board of Directors on a semi-annual basis on the status of implementation.	None
2.Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	☒		1. The Company has established a sound risk management mechanism to control possible risks within an acceptable range. The Board of Directors has approved an "Internal Control System" and established "Risk Management Policies and Procedures", which are implemented by the Board of Directors, the Corporate Sustainability Committee and all competent authorities accordingly. 2. The risk management process of the Company includes risk identification, risk measurement, risk response, risk monitoring and risk reporting. The types of risk include operational risk, financial risk, hazard risk, information security risk, compliance risk and other risks (climate change).	None

			3. The risk assessment process and criteria for relevant materiality issues are conducted based on the AA 1000 Stakeholder Engagement Standard (AA1000 SES) 2015. For details, please refer to the "Material Topics and Stakeholders" section of the Company's Corporate Sustainability Report.	
3.Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	☒		1. The Company promotes relevant environmental management systems including ISO 14001 environmental management system, ISO 50001 energy management system, ISO 14064-1 greenhouse gas inventory verification, ISO 14067 product carbon footprint, ISO 14046 water footprint and BS 8001 circular economy. 2. The above management system has been verified by a third party, as detailed in the section of "Appendix: Third party verified system of Asia Cement Corporation and its subsidiaries" in the Corporate Sustainability Report of the company.	None
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	☒		Asia Cement Corporation is committed to improving energy efficiency and has established an ISO 50001 energy management system and set up an energy policy to implement energy efficiency improvements. Asia Cement Corporation has set an energy consumption target of 1% reduction in energy consumption and intensity each year with year 2019 as the base year. Asia Cement Corporation has set short-, medium- and long-term targets for circular economy, with key performance indicators such as raw material substitution ratio and fuel substitution ratio, as detailed in the "Low Carbon Green Leadership" and "Circular Economy" sections of the Company's Corporate Sustainability Report.	None
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	☒		The climate change risk management process of Asia Cement Corporation consists of three steps: identification and assessment of existing risk opportunities, definition of significant risk opportunities, financial impact analysis and significant risk opportunities, and response measures and cost estimation. Existing risk opportunities are identified and evaluated annually by scoring the relevance, impact and period of occurrence of risk opportunity items based on TCFD transformation risks, physical risks and opportunities, and establishing a risk opportunity evaluation matrix. For more details, please refer to the TCFD section of the Company's Corporate Sustainability Report.	None
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption,	☒		Asia Cement Corporation annually compiles data on greenhouse gases, water consumption, and waste quantity and discloses them in its Corporate Sustainability Report. The relevant data has been verified by SGS Taiwan. For more details, please refer to the "Low Carbon Green Leadership" and	None

and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?			"Circular Economy" sections of our Corporate Sustainability Report. Regarding the part of greenhouse gases, Asia Cement Corporation has promoted Science based target and passed the Science-Based Targets Initiative (SBTi) review in March 2021, completing the carbon reduction targets setting and committing to an 8% reduction in cementation material emissions intensity by 2025, with 2019 as the base year.	
4.Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	☒		In accordance with the OECD principles, we follow the United Nations "Universal Declaration of Human Rights", the "Global Compact", the "United Nations Guiding Principles on Business and Human Rights", the United Nations "International Labor Organization Convention", and other internationally recognized human rights standards with the contents including workplace gender equality, safe and healthy workplaces, harmonious labor relations, and assistance to employees in maintaining physical and mental health and work-life balance, etc. to establish a human rights policy that is consistent with business ethics, environmental, social issues, human rights, and other public policy commitments. The Human Rights Declaration and Commitment signed by our general manager is publicly disclosed on our Company's external and internal websites. The human rights policy applies to Asia Cement Corporation and its subsidiaries. Our Company has established management principles through the development of internal management laws and the implementation of internal audits, including compliance with all national labor laws/Labor Standards Act, prohibition of child labor, prohibition of forced/compulsory labor, work and rest hours, non-discrimination and harassment, prohibition of human trafficking, freedom of association, implementation of equal respect for equal pay for equal work, and maternity protection. In 2021, we conducted a company-wide "human rights due diligence " covering 100% of employees at each production and operation site, and propose improvement measures based on the survey results in order to reduce the possibility of human rights risks. The summary of the implementation of our company's human rights management policy is as follows: 1. In accordance with the provisions of the Labor Standards Act and other relevant laws, the Company attaches great importance to the balance of employees' health, work, family and leisure life; at the same time, we implement the management of working hours, prohibits child labor and prohibits all forms of forced/compulsory labor and discrimination. 2. In order to establish an equal workplace for both genders, our company has implemented a system of unpaid parental leave system for raising	None

			children, and also provides family care leave, menstrual leave, maternity leave, paternity leave, and nursery rooms for employees. 3. The Company inculcates the concept of paying attention to health to our employees, and every year we arrange physical examinations and health seminars for our head office and factory employees. We also work with the Hsinchu Lifeline Association to promote the Employee Assistance Program (EAP), which provides professional information services to help employees address the mind, body, and spirit for overall health. For more details, please refer to the special chapter on labor relations in P.93 and the description of our 2021 Sustainability Report on Happy Workplace. <u>Specific management program:</u> In 2021, we held 245 classes for education and training on human rights-related issues (including courses related to the practice of corporate social responsibility in human rights, labor safety education, health management and mental health), with 1,996 attendees and 613 hours of class time.	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	☒		The article 25 of the Company's Articles of Incorporation clearly stipulates that if the Company has a profit in the year, it shall allocate 0.1% to 4% as employee compensation. The salary and compensation policy stipulates that the salary and compensation of employees includes the bonus of the Company's operating performance, and bonus calculations are reviewed and awarded based on the operating results achieved by the Company during the year. The operating performance and results are shared with our employees to motivate all employees to work together for the Company's goals. 1. In setting the salary and compensation system, we will not only consider our employees' education degrees, work experiences, whether they have licenses and professional skills, but also treat all of them as equals regardless of their gender, age, race, socio-economic class, religion, marital and family status, etc. 2. To plan a fair and reasonable salary and compensation system, in addition to the above-mentioned philosophy, our company also participates in annual market salary and compensation surveys to ensure	None

			that our employees' salaries and compensation rank among the best in the industry. ※The Company continued to be rated as a constituent stock of the "Taiwan High Pay 100 Index" by Taiwan Stock Exchange Corporation in 2021. 3. Due to the rational participation of the labor unions of Hsinchu and Hualien plants over the years, all those members have jointly realized our company's reasonable salary and compensation policy and we have been awarded the "the high-performance organization signing collective bargaining agreement in Year 2013" by the Ministry of Labor. Both our employers and employees received the award. 4. The rules of conduct for employees' work performance, training results, and corporate volunteer services are integrated with the annual performance appraisal of employees as set forth in our "Work Rules for staff", and a clear system of rewards and punishments has been established. Please refer to the description of our 2021 Sustainability Report on Happy Workplace. 5. Every year, the Company will consider the profitability of the company's operation and make salary adjustments and promotions accordingly based on the results of individual performance appraisals, with an average salary adjustment of 1% to 3%. The Company has established a welfare system for full-time employees, including the establishment of a "Labor Retirement Reserve Fund Supervisory Committee", which a 6% of the monthly pension fund is allocated to employees' personal accounts at the Labor Insurance Bureau according to the Monthly Contribution Wages Classification of Labor Pension to protect employees' rights and interests. In addition, a monthly appropriate Labor Retirement Reserve Fund (with a rate of 8%) is made to protect the rights and interests of employees who choose the old labor retirement system. The Employee Welfare Committee has been established to provide welfare funds and conduct welfare activities in accordance with the law. Our plants have commonly been set up with basketball courts, tennis courts, badminton courts, billiard courts, and swimming pools for employees' recreation. Other various benefits include subsidies for holiday bonus, International Workers' Day holiday on May 1st, birthday gift certificate, health examination that is offered better than laws and regulations, group comprehensive policy cover paid by the company, scholarships for staff children's education, cash as wedding gifts, company trips, and staff club activities. The system of vocation and leave without pay and so on is handled	

			in accordance with labor-related regulations such as the Labor Standards Act and the Act of Gender Equality in Employment. The Company's salary and compensation package includes equal pay for equal work regardless of gender and equal opportunities for promotion and advancement. The percentage of women in management positions accounts for 22% for junior management positions, 22% for senior management positions, 6% for revenue-generating competency (business departments), and 4% for STEM positions. Implementation of friendly workplace women's empowerment enables employees of all genders to work with peace of mind and settle down to their work. We meet 100% of the legal requirements for the employment of physically challenged employees and provide a safe environment and facilities.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	☒		Asia Cement Corporation has a complete occupational safety and health management team that conducts on-the-job education and training on a regular or ad hoc basis. In addition to trying its best to reduce its own risks, Asia Cement Corporation also assists its subsidiaries and contractors to provide counseling guidance and training through roving education and training, so that they can raise their safety awareness and reduce the incidence of occupational accidents. In 2021, 2,379 participants and 1,653 contractors participated in the occupational safety education training. Please refer to (VI) Occupational Safety and Health in the special chapter on labor relations in our company's annual report and the "Occupational Safety and Health" section of our company's Corporate Sustainability Report.	None
(4) Has the Company established effective career development training programs for employees?	☒		Each year, we organize courses to meet the functional needs of different departments and levels and integrate with the Company's development strategy to provide managers and employees with sufficient opportunities to fully study and train, which not only achieves the goal of training-action integration, but also links with the career development of employees. The training courses include new employee training/orientation, common core competencies training, professional/competency training, operation and management training, digital transformation and ESG sustainable development series training, etc. In 2021, we also implemented a series of training for accelerating the cultivation of new talents and internal lecturer training to continuously cultivate the strength of our employees to face changes and challenges, so that Asia Cement Corporation 's legacy can be completer and more institutionalized, and the new generation of talents are able to quickly gear to the company's development.	None

			Asia Cement Corporation has established an "Modern Managers Training Course" for corporate elites. In cooperation with Yuan Ze University, for elite students, we have designed courses in five modules, including organizational identification, innovation orientation, teamwork, customer service and performance optimization, etc. This module design courses are taught by a total of 15 professors, who earned themselves an unrivalled reputation as the leaders in various industries, from National Taiwan University, National Chengchi University, National Tsing Hua University, National Yang Ming Chiao Tung University, National Cheng Kung University and Yuan Ze University. The course lasts for 2 years, which is enough to prove that our company attaches great importance to the training of our employees' career ability development. Since 2014, trainees of this special course have been undergoing an intensive 225-hour program training for two years, followed by 30 high-level meetings for practicing and 30 special seminars, and the training has been so effective that more than 95% of the trainees have been promoted to the backbone cadres of their departments, and some have become the top executives. These high potential successors are required to receive 12 hours of retraining each year and are responsible for various important company projects and participate in company decision making, so as to continue to grow and improve in both theory and practice. It is our hope that we will be able to lead the organization to sustainable development in the face of the increasingly severe challenging environment.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	☒		The Company has always followed government regulations and industry-related norms to ensure customer health, customer privacy, marketing labeling, and service quality. Customer privacy: Asia Cement Corporation attaches great importance to the privacy of its customers, and is committed to maintaining the confidentiality of information provided by customers during business dealings. In order to ensure customer feel at ease in dealing with Asia Cement Corporation and avoid leakage of business information, we strictly requires all our employees to comply with our company's relevant confidentiality regulations. Article 6 (Duty of Confidentiality) of our company's internal code of ethical conduct requires that all employees of our company shall be obligated to maintain confidentiality of technical or non-technical information about our company, or the information of our company's purchase and sales customers, unless they are authorized or required by law to disclose such information. Information that should be kept confidential includes all undisclosed	None

			information that may be used or leaked by others to the detriment of our company or its customers. Documents with confidential information arising from business transactions will be destroyed periodically or immediately, depending on the degree of confidentiality. There were no cases of violation of customers' privacy rights in 2021. Marketing labeling: Asia Cement Corporation did not violate product-related regulations, nor did it sell controversial products in 2021. Service quality: Our company has established a "Customer Complaint Handling Regulations" to provide consumers with a transparent and effective grievance procedure. Once we receive a complaint from a consumer about quality and service processes, we would assign a dedicated person to handle it, both at home and abroad, so that we can deal with consumer complaints fairly and immediately.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	☒		1. Asia Cement Corporation has established a supplier policy to ensure that suppliers comply with the principles of sustainable development in terms of environmental, social and economic aspects, and requires its suppliers to sign the "Supplier Statement of Commitment for Social Responsibility" in accordance with the contents of the policy. The supplier policy includes issues such as environmental standards, child labor, human rights, working conditions (working hours), compensation, occupational safety and health, business ethics, and sustainable procurement. 2. The total number of suppliers that have signed the commitment letter in 2021 is 340. The risk assessment of Asia Cement Corporation 's suppliers is conducted in accordance with the "Criteria and Management Measures for the Selection of Suppliers". The risks are classified into four levels: significant, high, medium and low after scoring according to the relevant supervisors' assessment. For projects with moderate or higher risks, relevant control measures must be formulated, and the rest are listed as observation items. The supplier risk level for 2021 is all in low risk. 3. Please refer to Corporate Sustainability Report - Supply Chain Management for details.	None

5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	☒		1. The 2021 Asia Cement Corporate Sustainability Report is prepared in accordance with the GRI standards and is prepared and disclosed according to the “Sustainability Accounting Standards Board (SASB)” Construction Materials Industry Disclosure Guidelines. 2. The 2021 Asia Cement Corporate Sustainability Report had been certified by SGS Taiwan, which was proceeded according to AA 1000 standard.	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations: None.				
7. Other important information to facilitate better understanding of the company’s promotion of sustainable development: A. Please refer to the chapter on environmental protection expenditure information (1) ISO-14001 environmental management system (2) Air pollution prevention and control (3) Revegetation and beautification (4) Future environmental protection work priorities (5) Fulfillment of social responsibility and labor relations (6) Occupational safety and health in this annual report. B. Please refer to our Corporate Sustainability Report and website for details. CSR website: https://csr.acc.com.tw/en/				

3.3.8 Implementation Status of Ethical Management

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		1. “Codes of Ethical Conduct” and “Principles for Ethical Management” of Asia Cement Corporation have been adopted by Board of Directors on June 27, 2012 and reported to the 2013 shareholders’ meeting. 2. The Company has post “Codes of Ethical Conduct” and “Principles for Ethical Management” on the Company’s intranet for compliance. 3. “Principles for Ethical Management” was amended on March 25, 2020. The company	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?			requires the directors and senior management to issue a statement of compliance with the integrity management policy, and require the employees to comply with the integrity management policy in terms of employment according Article 8. 4. The Company reported to the Board of Directors on November 12, 2021 about annual ethical management practices and implementation status. Please see the note 1 of this table. The Company establish precautions for directors, managers, employees for preventing high-potential unethical conducts: 1. Set a standard distinguishing improper benefit, 2. Set procedures for political donations, 3. Set procedures for charity donations or sponsorship, 4. Set reporting and handling procedures to avoid job-related conflicts of interest, 5. Set an information firewall to prevent sensitive information or undisclosed information and to prevent the use of the non-disclosed information in insider trading, 6. Set working procedures dealing with dishonest actions involved by suppliers, customers, and trading partners and others, 7. Set working procedures dealing with violators	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?			of Principles for Ethical Management, 8. Set punishment for violators and reward for whistleblowers. For the purpose of developing a corporate culture of ethical management and preventing unethical conduct, HR Department enacted “Working procedures and Guidelines for Ethical Management”. It clearly expresses all kinds of bad faith conducts, preventions, and punishments for violators. In order to implement the Company's “Codes of Ethical Conduct” and “Principles for Ethical Management”, the Board enacted “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”, and also enacted "Complainant rules for employees". Above mentioned rules are disclosed on the Company's website (http://www.acc.com.tw/).	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		All suppliers of the Company signed "Codes of Conduct and Commitment Statement for Suppliers". We will review, rate, and eliminate our suppliers based on past evaluation records and their implementations of CSR affairs.	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?			For fully implementation, the Purchasing Department has urged all suppliers to comply with our “Codes of Ethical Conduct” and “Principles for Ethical Management”. The Purchasing Department will include this item into commercial terms. The HR Department is responsible for formulating policy and supervising ethical management for the Company. It will report the implementation status to the Board on a regular basis. In addition to report implementation status of ethical management to the Board, the HR Department will also report to independent directors. On March 25, 2020, the Board of Directors approved the establishment of the "Promoting Ethical Management Working Group" by the Corporate Governance Officer and the HR Department, responsible for policy formulation and implementation, and regularly (at least once a year) report to the Audit Committee and the Board of Directors. The Company's integrity management practices and annual implementation have been reported to the	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?			board of directors on November 12, 2021. The Company provides that no manager shall engage in any affairs with conflicts of interest to the Company unless otherwise released restriction by the Board and the shareholders’ Meeting. All members of our Board of Directors are highly disciplined. Once there are conflicts of interests, such member will not participate in discussion and voting of the issue according to relevant regulation and keep it in the meeting minutes. The Company also has standard procedures for employees to report any potential conflicts of interests. The Company has a strict accounting system and dedicated accounting department. For ensuring accuracy and transparency, all financial statements are audited or reviewed by Deloitte & Touche in accordance with relevant regulation. In order to implement “Regulations Governing Establishment of Internal Control Systems by Public Companies” and “Principles for Ethical Management”, the Company has set up the Auditing Department which established its internal control system. And	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons						
	Yes	No	Abstract Illustration							
(5) Does the company regularly hold internal and external educational trainings on operational integrity?			the Audit Department will regularly review and revise the internal control system. In addition, the Audit Department will develop and implement its annual internal audit plan in accordance with risk assessment. The Company does not use CPA for auditing. To establish corporate culture of ethical management and prevent unethical behaviors, the Company holds internal training sections for employees understanding our commitment to ethical management and policies. Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board. In addition, all sales representatives have signed and followed the code of conduct of integrity management/anti-corruption/ethical conduct. The Company provides online workplace ethics education training. <table><tr><td>Topic</td><td>Hours</td><td>Number of people</td></tr><tr><td>1.Introduction to the "Code of Integrity Management" of the Stock</td><td>0.1</td><td>350</td></tr></table>	Topic	Hours	Number of people	1.Introduction to the "Code of Integrity Management" of the Stock	0.1	350	
Topic	Hours	Number of people								
1.Introduction to the "Code of Integrity Management" of the Stock	0.1	350								

Evaluation Item	Implementation Status ¹					Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons	
	Yes	No	Abstract Illustration				
			Exchange and "Anti-Corruption" related norms at home and abroad				
			2."Prohibition of Offering or Accepting Improper Benefits" and "Prohibition of Benefit Refusal"	0.1	350		
			3."Confidentiality Mechanism" and "Prohibition of Unfair Competition"	0.1	350		
			4."Prohibition of Insider Trading"	0.1	350		
			5.Relevant regulations of "Integrity Management Policy"	0.1	350		
			6.Handling of dishonest behavior and protection mechanism for whistleblowers	0.1	350		
			7.Introduction to the Norms Related to Employee Ethical Behavior and Corporate Social Responsibility	0.1	350		
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (3) Does the company provide proper			The Board of Directors enacted “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”, and also enacted “Complainant rules for employees” on May 13, 2015. Alleged violator has the right to appeal to the investigation team while investigation hearing could be made if necessary. According to the above rules, the Company will treat all complaint confidentially and protect whistleblowers. The identification informants of whistleblowers will be kept confidential. The			None	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
whistleblower protection?			Company will also ensure that whistleblowers won't be revenged because of reporting improper issues. Above mentioned rules are disclosed on the Company's website.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?			Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board. The Company has designated employees responsible for disclosing relevant information on MOPS and the Company's website (http://www.acc.com.tw). Since the adoption of Principles for Ethical Management, there is no violation needed to be disclosed.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). The Company adds integrity information to the procurement system to ensure supplier compliance, and there are appeal channels available.				

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
The Company treats its employees and business partners with the highest standards of ethical conducts. Any bribery or unethical conducts made by its employees or suppliers will be punished, such as disposition, rejection of transaction, or legal prosecution. The Board of Directors has revised the ethical management codes on March 25, 2020. The "Promoting Ethical Management Working Group" shall report to the Board of Directors direct				

Note 1: The status of ethical management practices and annual implementation

Item	Description of the execution situation
Training	Manager at all levels, through various internal meetings, publicize the company's business philosophy of integrity and emphasize the importance of ethics, and strictly prohibit personal fraud.
formulate regulations	1. In order to establish the company's culture of ethics management, the Company's Principles for Ethical Management and its bylaws are formulated with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" published by the Taiwan Stock Exchange. 2. There are "Work Rules" and "Rewards and Punishments Rules" to regulate employee behavior, and personnel who violate relevant regulations will be treated according to the circumstances. 3. In order to guide the behavior of employees to comply with ethical standards and laws and to prevent illegality and disorder, "Codes of Ethical Conduct" provides that to accept bribes, banquets, and entertainment or engage in fraudulent behaviors are strictly forbid. 4. "Measures for Reporting Illegal and Unethical or Dishonest Behavior" establish a formal complaint channel and encourage reporting of any illegal or violation of Codes of Ethical Conduct or the Principles for Ethical Management.
Follow the principle of conflicts of interests	The Company's "Meeting Rules of the Board of Directors" stipulates that the directors must report any conflict of interests and may not participate in the discussion and voting. The "Code of Ethical Conduct" also clearly stipulates that all employees should prevent conflicts of interest. Those who have relevant situations should report to the company.
Supplier management	All suppliers of the Company are required to sign the "Supplier Social Responsibility Commitment". In terms of ethics management, in addition to requiring suppliers to abide by the highest ethics standards in all business interactions. Any form of bribery, corruption, extortion, theft, abuse of power and improper advantage is prohibited, including money, gifts, commissions, positions, services, preferential treatment, kickbacks, etc. It is also necessary to avoid conflicts of interest. If suppliers find any potential conflicts of interest, they must immediately notify the Company and take appropriate measures to prevent possible misconduct.

Reports of Illegal and Ethics Violations	In order to implement the Company's ethical codes, the company has formulated the "Measures for Reporting Illegal and Unethical or Dishonest Behavior". The contact for accepting reports is as follows: 1. Spokesperson: Accept reports from shareholders and investors. 2. Independent directors, Managers, internal auditor, corporate governance officers, and HR departments: Accept reports from employee, customers, suppliers, contractors, etc.		
2021 Training	During the severe epidemic in 2021, training method is changed to online teaching: 1. Promotion and introduction of Codes of Ethical Conduct: Starting from May 24, 2021, course topics, hours and number of participants are detailed in the table below.		
	Topic	Hours	Number of people
	1.Introduction to the "Code of Integrity Management" of the Stock Exchange and "Anti-Corruption" related norms at home and abroad	0.1	350
	2."Prohibition of Offering or Accepting Improper Benefits" and "Prohibition of Benefit Refusal"	0.1	350
	3."Confidentiality Mechanism" and "Prohibition of Unfair Competition"	0.1	350
	4."Prohibition of Insider Trading"	0.1	350
	5.Relevant regulations of "Integrity Management Policy"	0.1	350
	6.Handling of dishonest behavior and protection mechanism for whistleblowers	0.1	350
	7.Introduction to the Norms Related to Employee Ethical Behavior and Corporate Social Responsibility	0.1	350
	2. "Gender Work Equality": Starting from April 23, 2021, it was divided into five chapters. The content includes topics such as prohibiting gender discrimination, preventing sexual harassment, appeal procedures, and promoting the implementation of work equality. 3. "Labor Human Rights": Starting from August 6, 2021, it was divided into four chapters. The content includes what are labor rights, the development and introduction of labor rights, the norms of important labor rights protection.		
Human Rights Policy	The company follows internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights", "United Nations Global Covenant", "United Nations Guiding Principles on Business and Human Rights", "United Nations International Labor Organization Core Conventions", and enacts our Human Rights Policy with the following key points. 1.Create a diverse and inclusive workplace, respect workplace equality, 2.Provide a safe and healthy work environment, 3.Respect employees' freedom of association, implement labor-management consultation, 4.Assist employees in maintaining physical and mental health and work-life balance. The above Human Rights Policy has been published on the Company's website.		

*So far this year, none of the company's suppliers, management or employees have violated the ethics of business operations.

- ◎ Access to Corporate Governance Best-Practice Principles and relevant regulations: Please visit the Company's website at <http://www.acc.com.tw>.
- ◎ Any other important information to facilitate better understanding of the Company's corporate governance practices: None.
- ◎ During the most recent fiscal year and the current fiscal year up to the date of printing of this annual report, any punishment occurred for the Company and its employees violating laws, and any punishment, fault and improvement occurred for the Company's employees against the regulations of Internal Audit System: None.
- ◎ To appoint certified accountants to audit internal audit system: None.

3.3.9 The Training for Directors

Name	Date	Organizer	Course Title and Lecturer	Hours
<u>Directors</u> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih Peter Hsu Kun Yen Lee C.V.Chen C.K.Chang Chin-Der Ou Champion Lee <u>Independent Directors</u> Chi Schive	Sep.8,2021	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Digital Transformation of Enterprises	3
<u>Directors</u> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih Peter Hsu Kun Yen Lee C.K.Chang Champion Lee Chin-Der Ou Kwan-Tao Li	Nov. 10, 2021	Taiwan Academy of Banking and Finance	The Framework of the Geopolitical Effects of the United States, China and Taiwan	3
<u>Directors</u> C.V. Chen	Sep. 16,2021	Corporate Governance Association	Enterprise Sustainable Development - "Environmental Protection" and Legal Compliance Management	3
	Nov. 11, 2021		Understand related party transactions, irregular transactions and insider transactions from practical cases	3
<u>Directors</u> Ruey Long Chen	Mar. 30, 2021	Corporate Governance Association	Information security status sharing and future challenges in the technology industry	1.5
	May 11, 2021		The general trend of ESG and corporate governance 3.0	1.5
	Aug.10, 2021		Global minimum tax system	1.5
	Sep. 4, 2021		Directors and Supervisors Responsibilities for Mergers and Acquisitions	3
	Nov. 12, 2021		New thinking on intellectual property management	1.5
<u>Directors</u> Kwan-Tao Li	Dec. 23, 2021	Corporate Governance Association	Corporate Governance 3.0 - Blueprint for Sustainable Development	3
<u>Independent Directors</u> Chi Schive	Nov.11, 2021	Corporate Governance Association	Understand related party transactions, irregular transactions and insider transactions from practical cases	3
<u>Independent Directors</u> Gordon S.Chen	Sep.16, 2021	Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3
<u>Independent Directors</u> Yun-Pen Chu	Nov.22, 2021	Securities and Futures Market Development Foundation	Advanced Seminar on Directors and Supervisors (Independent) and Corporate Governance Supervisors - Information Security Value in the Post-epidemic Era and the Sino-US Trade War	3

3.3.10 The Training for Managers

Title	Name	Date	Organizer	Course Title and Lecturer	Hours
Deputy Chief Auditor	W.H.Yeh	Mar.12, 2021	Accounting Research and Development Foundation	An Analysis of the Legal Responsibilities of Internal Auditors and the Whistleblower System	6
		Aug. 17, 2021	Internal Audit Association	Internal audit and internal control personal information law practical operation	6
Assistant Vice President	Nancy Kao	Feb. 25-26, 2021	Issuer Securities Dealer Stock Exchange	Accounting Manger Continuing Training Course	12
President Executive Vice President Vice President Vice President Vice President General Plant Manager Deputy Chief Auditor Assistant Vice President Assistant Vice President Special Assistant Manager Manager Manager Manager	Kun Yen Lee Doris Wu C.M.Chen W.K.Chou T.L.Yu Z.P.Chang W.H.Yeh Nancy Kao C.Y.Wang T.M.Chen Chenho Chung Gary Lee Yuchi Tsai Qingyuan Su	May 4, 2021 Aug. 4, 2021	Asia Cement	Key Signals Behind the ESG Investing Boom From data to scene--the road to digital transformation of enterprises	4
Executive Vice President Vice President Vice President Vice President Assistant Vice President Special Assistant Manager Manager Manager Manager Manager	Doris Wu C.M.Chen T.L.Yu W.K.Chou C.Y.Wang T.M.Chen Chenho Chung Gary Lee Yuchi Tsai Qingyuan Su	Sep.8,2021	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Digital Transformation of Enterprises	3
Executive Vice President Vice President Vice President Vice President Assistant Vice President Special Assistant Manager Manager Manager Manager	Doris Wu C.M.Chen T.L.Yu W.K.Chou C.Y.Wang T.M.Chen Chenho Chung Gary Lee Qingyuan Su	Nov. 10, 2021	Taiwan Academy of Banking and Finance	The Framework of the Geopolitical Effects of the United States, China and Taiwan	3
Vice President	W.K.Chou	Jan. 22, 2021	Corporate	Competition for management	15

			Governance Association	rights and case analysis	
		Apr. 16, 2021	Corporate Governance Association	The only insurance that directly points to corporate governance - information security insurance	
		Apr. 27, 2021	Corporate Governance Association	Establishment and Operation of Audit Committee	
		Sep.8,2021	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Digital Transformation of Enterprises	
		Nov. 10, 2021	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	

W.K. Chou, Corporate Governance Officer has completed 12 hours training as required.

3.3.11 The Execution Status of Internal Control System

Asia Cement Corporation Statement of Internal Control System

Date: March 8, 2022

Asia Cement Corporation(ACC) has conducted a self-inspection of internal control system during 2021. The results are as follows:

ACC acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and managerial level, and ACC has established such system. It is aimed to reasonably ensure that the goals such as effective and efficient operations (including profitability, performance, and safeguard of assets), the reliability, timeliness, transparency, and regulatory compliance of reporting , and the compliance with applicable laws and regulations are achieved.

The internal control system has its inherent limitations; whatever a perfect design is, an internal control system can provide only reasonable assurance that the above-mentioned goals will be achieved; besides, owing to the change of environment and circumstances, the effectiveness of internal control system will be changed accordingly. However, the internal control system of ACC is equipped with self-monitoring mechanisms and ACC will take corrective action once defect is identified.

According to the criteria for the internal control system as specified in “Guidelines for Implementation of Establishing Internal Control System by Public Listed Companies”(hereinafter referred to as “Guidelines,”) ACC evaluates the effectiveness of its internal control system. The said Guidelines divide internal control system into five components: (1) Control Environment, (2) Risk Assessment, (3) Control Operations, (4) Information and Communication, and (5) Monitoring. Each component includes certain items. For the foregoing items, please refer to “Guidelines”.

ACC has adopted the aforesaid criteria for internal control system to evaluate the effectiveness of design and implementation of internal control system.

Based on the findings of the evaluation mentioned in the preceding paragraph, ACC believes that as at December 31, 2021 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, transparency, and regulatory compliance of reporting , and the compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

This statement comprises the entire annual report and public brochure, and will be publicly disclosed. If the aforesaid statement has any unlawful attempt such as pretence and concealment, ACC will assume the legal responsibilities according to Article 20, 32, 171 and 174 of Securities and Exchange Law.

This statement has been approved by ACC Board of Directors at the meeting of March 8, 2022 with 14 directors in presence and none disagreement with the content of this statement.

Asia Cement Corporation

Chairman: Douglas Tong Hsu

President: K.Y. Lee

3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings

1. Major resolution of Regular Shareholders' Meeting

Date	Major resolutions
2021/01/23	1. Acceptance of 2020 financial statements and consolidated financial statements 2. Acceptance of the proposal for distribution of 2020 profits. 3. Amendment to "Election Rules of Directors".
Execution Status	Major resolutions of the Shareholders' meeting have been fully implemented. 1. The record date for distribution of 2020 profits was Aug.11, 2021. Cash dividends have been distributed on Sep. 11, 2021. 2. Relevant amendments have been disclosed on our website.

2. Major Resolutions of the Board of Directors

Totally 7 meetings of the Board of Directors were held in the period from Jan. 1, 2021 to May 10 2022. Directors have no opposition to major resolutions in this period.

Regarding the items listed in Article 14(3) of the Securities Exchange Act, all attended independent directors approved without disagreement.

Date	Major resolutions
2020/03/25	1. Acceptance of the 2019 employees' compensation and Directors' and Supervisors' remuneration. 2. Acceptance of 2019 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2019 profits. 4. Acceptance of 2020 business budget. 5. Acceptance of 2019 CPA service of Deloitte & Touche. 6. To Elect Directors and Independent Directors. 7. To convene 2019 regular shareholders' meeting. 8. To release the prohibition on Directors from participation in competitive business 9. Acceptance to issue 2019 Statement of Internal Control System. 10. To issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT\$20 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure. 11. Amendment to "Articles of Incorporation of Asia Cement Corporation". 12. Amendment to "Meeting Rules for Shareholders' Meeting". 13. Amendment to "Meeting Rules for Board of Directors' Meeting". 14. Amendments to "Principles for Ethical Management of Asia Cement Corporation"
2020/05/12	1. Acceptance of 2019 Business Report. 2. Acceptance of the candidate list review for directors and independent directors.
2020/06/23	1. To elect Douglas Tong Hsu as the Chairman of the Board of Directors.
2020/08/11	1. To appoint members of the "Remuneration Committee."
2020/11/12	1. To accept 2021 audit plan. 2. Amendment to the "Corporate Governance Code", "Meeting Rules of the Board of Directors" and "Organizational Rules for the Remuneration Committee. 3. To purchase liability insurance for directors, and supervisors, and important employees of the Company and its affiliates in the consolidated financial statements. 4. Donation to Y.Z. Hsu Memorial Foundation to sponsor the building of International Conference Hall. 5. To enact risk management policy, and report on its implementation in 2020.

2021/03/25	1. Acceptance of the 2020 employees' compensation and Directors' and Supervisors' remuneration. 2. Acceptance of 2020 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2020 profits. 4. Acceptance to issue 2020 Statement of Internal Control System. 5. Amendment to the "Meeting Rules of the Board of Directors". 6. Amendment to the "Board of Directors Performance Evaluation Method". 7. Acceptance of 2021 business budget. 8. To convene 2021 regular shareholders' meeting. 9. Acceptance of 2021 CPA service of Deloitte & Touche. 10. To Terminate the issuance of overseas depository receipts (GDR) on the London Stock Exchange. 11. To issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT\$15 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure.
2021/05/13	1. Acceptance of 2020 Business Report. 2. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 3. To set up "Corporate Sustainability Committee" and to amend the "Corporate Sustainability Policy". 4. Amendment to the agenda of the 2021 regular shareholder meeting.
2021/07/05	1. To change the date of 2021 regular shareholders' meeting. 2. To authorize the Chairman to set the record date for profit distribution.
2021/07/28	1. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 2. To elect members of the "Corporate Sustainability Committee"
2021/11/12	1. To accept 2022 audit plan. 2. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 3. To issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT\$15 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure. 4. To purchase liability insurance for directors, and supervisors, and important employees of the Company and its affiliates in the consolidated financial statements.
2022/03/08	1. Acceptance of the 2021 employees' compensation and Directors' remuneration. 2. Acceptance of 2021 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2021 profits. 4. Acceptance to issue 2021 Statement of Internal Control System. 5. Amendment To "Articles of Incorporation of Asia Cement Corporation" 6. Amendment To "Procedure for Acquisition and Disposal Of Assets". 7. Amendment To "Procedure for Making Endorsements and Guarantees". 8. Amendment To "Procedure for Loan to Others". 9. To convene 2022 regular shareholders' meeting. 10. Acceptance of 2022 business budget. 11. Acceptance of 2022 CPA service of Deloitte & Touche. 12. To issue Cross Currency Swap with total amount not exceeding USD \$200 million
2022/05/10	1. Acceptance of 2021 Business Report. 2. Acceptance of 2022 Q1 consolidated financial statements.

	3. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 4. To set up "Corporate Sustainability Committee" and to amend the "Corporate Sustainability Policy". 5. Amendment To "Meeting Rules for Shareholders' Meeting". 6. Amendment to the meeting methods and agenda of the 2022 regular shareholder meeting.

3.3.13 Resignation or dismissal of the chairman, president, accounting manager, finance manager, auditing manager, and R&D manager of the Company : None.

3.4 Information of CPA Service Fee

1. Information of CPA service fee

Unit: NT\$1,000

Accounting Firm	Name of CPA	Audit period	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	X.W. Tai	01/01/2021-12/31/2021	6,730	1,584	8,314	Other non-audit fees include tax compliance audit and application of tax rulings, transfer pricing report, corporate bonds issuance expenses and opinions, etc.
	P. D. Chen					

- If the audit fee in the year CPA firm changes is lower than that in the prior year, specify the amount of audit fee before and after and the reason: None.
- If the audit fee dropped year on year by more than 10%, specifies the amount, percentage, reason of the reduction: None.
- Change of CPA in recent two fiscal years and subsequent periods:
The Company commissioned Deloitte & Touche-Taiwan to audit the financial statements. Due to internal function adjustments in Deloitte & Touche-Taiwan, the audit has been commissioned from CPA Shin Wei Tai and Yu Wei Fan to CPA Shin Wei Tai and Pei De Chen since 2021Q1.
- The ACC Chairman, President, and managers who are responsible for finance and accounting do not have any position at CPA Firm or its affiliated companies in the most recent fiscal year.

3.5 Relevant licenses and certificates obtained about transparent financial information

Department	Name	Title	Licenses and Certificates
Finance	Doris Wu	Executive Vice President	CPA, Taiwan and United States
Finance	Yu Ling Yang	Assistant Vice President	CPA, Taiwan and China
Finance	Ya Ping Li	Assistant Vice President	CPA, Taiwan
Finance	Yu De Liao	Deputy Manager	Certified Internal Auditor Certified Information Systems Auditor
Finance	Wei Zhong Chen	Deputy Manager	Chartered Financial Analyst
Finance	Yao Yu Lee	Assistant Specialist	Chartered Financial Analyst
Auditing	Chi Wen Lu	Assistant Specialist	Certified Internal Auditor Certification in Risk Management Assurance
Accounting	Jia Ning Hsu	Assistant Administrator	CPA, Taiwan
Accounting	Guang Ren Peng	Assistant Administrator	CPA, United States
Accounting	Ying Bei Lin	Assistant Administrator	CPA, Taiwan
Accounting	Bi Chen Weng	Assistant Administrator	CPA, Taiwan

3.6 Changes in Shareholdings and pledge of Directors, Supervisors, Managers, and Shareholders with more than 10% Shareholding

1. Changes in Shareholdings:

Title	Name	Shareholding on Dec. 31, 2020		Shareholding on Apr. 2, 2021	
		Changes of Shares	Changes of Shares Pledged	Changes of Shares	Changes of Shares Pledged
Chairman	Douglas Tong Hsu	—	—	—	—
Director	Far Eastern New Century Corporation ¹	—	—	—	—
	T.H. Chang	—	—	—	—
	Johnny Shih	—	—	—	—
	C.V. Chen	—	—	—	—
Director	Bai-Yang Investment Holdings Corporation	—	—	—	—
	Chin-Der Ou	—	—	—	—
Director	U-Ding Corporation	—	—	—	—
	K.Y. Lee	—	—	—	—
Director	Far Eastern Y.Z. Hsu Science And Technology Memorial Foundation	—	—	—	—
	Peter Hsu	—	—	—	—
	C.K. Chang	—	—	—	—
Director	Ta Chu Chemical Fiber Co.,Ltd	—	—	—	—
	Ruey Long Chen	—	—	—	—
Director	Far Eastern Medical Foundation Champion Lee	—	—	—	—
Director	U-Ming Corporation K.T. Li	—	—	—	—
Independent Director	Chi Schive	—	—	—	—
Independent Director	Gordon S. Chen	—	—	—	—
Independent Director	Yun-Pen Chu	—	—	—	—
President	K.Y. Lee	—	—	—	—
Executive Vice President	Doris Wu	—	—	—	—
Vice President	C.M. Chen	—	—	—	—
Vice President	W.K. Chou	—	—	—	—
Vice President	Z.P. Chang	—	—	—	—
Vice President	T.L. Yu	—	—	—	—
Deputy Chief	W.H. Yeh	—	—	—	—

¹ The majority shareholder with holding more than 10% share of the Company.

Title	Name	Shareholding on Dec. 31, 2020		Shareholding on Apr. 2, 2021	
		Changes of Shares	Changes of Shares Pledged	Changes of Shares	Changes of Shares Pledged
Auditor					
Special Assistant	T.M. Chen	—	—	—	—
Accounting Manager	H.Y. Kao	—	—	—	—
Assistant Vice President	Dana Lee	—	—	—	—
Assistant Vice President	Karen Yang	—	—	—	—
Assistant Vice President	C.Y. Wang	—	—	—	—
Assistant Vice President	Y.P. Lee	—	—	—	—
Manager	Z.H Zhong	—	—	—	—
Manager	Gary Lee	—	—	—	—
Plant Manager	Z.X. Zhuang	—	—	—	—

2. Shareholders transfer information: Since the relative transfer of shareholders is non-related person, so there is no information on this information.
3. Shareholders pledge information: no shareholders pledged.

3.7 Information Disclosing the Relationship between any of the Company's Top 10 Shareholders

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Far Eastern New Century Corporation Representative: Douglas Tong Hsu	750,511,324	21.17%	0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	181,566,797	5.12%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
Yuanta/P-shares Taiwan Dividend Plus ETF	133,033,804	3.75%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
China Life Insurance Co., Ltd. Representative: Saloon Tham	84,520,000	2.38%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
Mega International Commercial Bank Co., Ltd. Treasury Department Representative: Chang, Chao-Shun	59,500,000	1.68%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
	57,891,049	1.63%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Labor Pension Fund Committee of Far Eastern New Century Corporation			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
Yuan Ding Investment Company Representative: Douglas Tong Hsu	54,201,518	1.53%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
Far Eastern Department Stores Co., Ltd. Representative: Douglas Tong Hsu	50,000,492	1.41%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
Yuan-Ze University Representative: Douglas Tong Hsu	47,499,567	1.34%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
Far Eastern Memorial Foundation Representative: Kwan-Tao Li	44,115,478	1.24%	0	0%	0	0%	Far Eastern New Century Corporation	Director of the Foundation is the Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	Director of the Foundation is the Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Mega International Commercial Bank Co., Ltd. Treasury Department	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Director of the Foundation is the Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Director of the Foundation is the Chairman
			0	0%	0	0%	Yuan-Ze University	Director of the Foundation is the Chairman



3.8 Shareholding Proportion of ACC to Investees

Dec. 31, 2021

Investees	Investments by ACC		Investments by Directors, Supervisors, Managers and Directly or Indirectly Controlled Businesses		Total Investments	
	Shares	%	Shares	%	Shares	%
Asia Investment Corp.	322,729,001	100.00%	-	0.00%	322,729,001	100.00%
Sunrise Industrial Holdings Ltd.	90,000	100.00%	-	0.00%	90,000	100.00%
Yuan Long Stainless Steel Corp.	200,000,000	100.00%	-	0.00%	200,000,000	100.00%
Nan Hwa Cement Corp.	26,138,828	99.98%	5,000	0.02%	26,143,828	100.00%
Der Ching Investment Corp.	699,853,425	99.99%	6,346	0.00%	699,859,771	99.99%
Ya Tung Ready-Mixed Concrete Corp.	199,991,832	99.99%	7,973	0.00%	199,999,805	99.99%
Asia Cement (Singapore) Pte. Ltd.	10,499,432	99.99%	-	0.00%	10,499,432	99.99%
Fu Ming Transportation Co., Ltd.	29,553,934	99.95%	5,000	0.02%	29,558,934	99.97%
Asia Engineering Enterprise Corp.	8,093,680	99.74%	16,660	0.21%	8,110,340	99.95%
Chiahui Power Corp.	568,307,076	99.70%	543,464	0.10%	568,850,540	99.80%
FEDS Development Ltd.	53,250,000	25.00%	149,100,000	70.00%	202,350,000	95.00%
Yuan Ding Co., Ltd.	178,707,648	35.50%	259,921,761	51.63%	438,629,409	87.13%
Everstrong Iron & Steel Foundry Ltd.	16,264,709	83.94%	1,154	0.01%	16,265,863	83.95%
Asia Cement (China) Holdings Corp.	1,061,209,202	67.73%	71,134,798	4.54%	1,132,344,000	72.27%
Ya Li Transportation Corp.	5,160,754	51.61%	63	0.00%	5,160,817	51.61%
Everstrong Iron & Steel Foundry Ltd.	3,199,823	40.40%	660,000	8.33%	3,859,823	48.73%
Yuan Ding Leasing Corp.	34,640,189	43.60%	-	0.00%	34,640,189	43.60%
U-Ming Marine Transport Corp.	331,701,152	39.25%	20,239,202	2.40%	351,940,354	41.65%
Oriental Securities Corp.	136,713,259	18.93%	146,326,910	20.26%	283,040,169	39.19%
Far Eastern New Century Corp.	1,272,277,085	23.77%	537,408,175	10.04%	1,809,685,260	33.81%
Yue Yuan Investment Corp.	155,000,823	29.92%	515,000	0.10%	155,515,823	30.02%
China Shanshui Cement Group Ltd.	331,878,315	7.62%	428,393,000	9.84%	760,271,315	17.46%

IV Capital Formation

4.1 Capital and Shares

4.1.1 Capital Increase in the Recent Five Years

Book closure date: May 1, 2022

Date	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Dec.2011	NT\$10	3,600,000,000	36,000,000,000	3,136,813,697	31,368,136,970	Dividend	None	Note1
Dec.2012	NT\$10	3,600,000,000	36,000,000,000	3,230,918,107	32,309,181,070	Dividend	None	Note1
Dec.2013	NT\$10	3,600,000,000	36,000,000,000	3,295,536,469	32,955,364,690	Dividend	None	Note1
Dec.2014	NT\$10	3,600,000,000	36,000,000,000	3,361,447,198	33,614,471,980	Dividend	None	Note1
Apr.2021	NT\$10	4,000,000,000	40,000,000,000	3,367,379,460	33,673,794,600	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Jul.2021	NT\$10	4,000,000,000	40,000,000,000	3,446,057,251	34,460,572,510	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Aug.2021	NT\$10	4,000,000,000	40,000,000,000	3,523,384,400	35,233,844,000	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Sep.2021	NT\$10	4,000,000,000	40,000,000,000	3,544,174,122	35,441,741,220	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Oct.2021	NT\$10	4,000,000,000	40,000,000,000	3,545,572,071	35,455,720,710	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Apr.2022	NT\$10	4,000,000,000	40,000,000,000	3,545,927,557	35,459,275,570	Exchange of Overseas Unsecured Convertible Bonds	None	Note2

Note1: Ruling Ref. No. and effective date for capitalization of share dividends were No. 10001214640 dated 2011/9/15, No. 10101189120 dated 2012/9/11, No. 10201196030 dated 2013/9/23, and No. 10301193070 dated 2014/9/17, respectively.

Note2: The overseas unsecured convertible bonds was approved by the Financial Supervisory Commission with Ruling Ref. No. 1070312574 dated 2018/5/2.

4.1.2 Capital

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	3,545,927,557 Available for trading on the TWSE	454,072,443	4,000,000,000	-

4.1.3 Shelf Registration: None

4.1.4 Shareholder Structure

Book closure date: May 1, 2022

Structure Amount	Governments	Financial Institutions	Other Institutional Investors	Domestic Individual Investors	Foreign Institutions & Individuals	Total
Number of Shareholders	11	58	557	125,932	670	127,228
Number of shares	38,138,926	326,396,637	1,831,984,229	731,342,523	618,065,242	3,545,927,557
Shareholding Percentage	1.08%	9.20%	51.67%	20.62%	17.43%	100.00%

Note: No foreign institutions and individuals from China Area.

4.1.5 Shareholding Distribution Status

Book closure date: May 1, 2022

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
1-999	38,216	9,296,316	0.26%
1,000-5,000	67,810	142,858,729	4.03%
5,001-10,000	10,558	82,273,145	2.32%
10,001-15,000	3,394	42,628,959	1.20%
15,001-20,000	2,032	37,262,191	1.05%
20,001-30,000	1,733	43,704,034	1.23%
30,001-40,000	836	29,627,243	0.84%
40,001-50,000	535	24,646,616	0.70%
50,001-100,000	978	70,239,135	1.98%
100,001-200,000	477	67,798,038	1.91%
200,001-400,000	259	71,562,792	2.02%
400,001-600,000	92	44,714,770	1.26%
600,001-800,000	42	29,175,601	0.82%
800,001-1,000,000	28	25,915,452	0.73%
Over 1,000,001	238	2,824,224,536	79.65%
Total	127,228	3,545,927,557	100%

Preferred Share

Book closure date: May 1, 2022

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
NA	0	0	0

4.1.6 List of Major Shareholders

Book closure date: May 1, 2022

Major Shareholder	Shares	Number of Shares	Holding Percentage
Far Eastern New Century Corporation		750,511,324	21.17%
Far Eastern Medical Foundation		181,566,797	5.12%
Yuantai/P-shares Taiwan Dividend Plus ETF		133,033,804	3.75%
China Life Insurance Co., Ltd.		84,520,000	2.38%
Mega International Commercial Bank Co., Ltd. Treasury Department		59,500,000	1.68%
Labor Pension Fund Committee of Far Eastern New Century Corporation		57,891,049	1.63%
Yuan Ding Investment Company		54,201,518	1.53%
Far Eastern Department Stores Co., Ltd.		50,000,492	1.41%
Yuan-Ze University		47,499,567	1.34%
Far Eastern Memorial Foundation		44,115,478	1.24%
Total		1,462,840,029	41.25%

4.1.7 Market Price, Net Value, Earnings and Dividends per Share

Unit: NT\$

Item		Year	2020	2021
Market Price Per Share	Highest		49.90	54.30
	Lowest		35.20	40.00
	Average		43.20	46.33
Net Value Per Share	Before Distribution		43.96	44.26
	After Distribution		40.41	(Note)
Earnings Per Share	Weighted Average shares (in thousand)		3,129,384	3,203,972
	Earnings Per Share		4.70	4.70
Dividends Per Share	Cash Dividends		3.55(Note1)	3.40(Note2)
	Stock Dividend	-	-	-
	Accumulated Unpaid Dividends		-	-
Return on Investment	Price-Earnings Ratio		9.19	9.86
	Price-Dividend Ratio		12.17	13.63
	Cash Dividend Yield Rate		8.22%	7.34%

Note1: Given to transfer the number of ordinary shares converted from outstanding overseas unsecured convertible bonds, the total number of issued and outstanding shares have increased and the cash dividend was adjusted to \$3.46283787 per ordinary share.

Note2: To be resolved by the 2022 Shareholders' Meeting.

4.1.8 Dividend Policy & Implementation Status

1. Dividend Policy

Apart from paying all its income taxes in the case where there are net incomes at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, the Company shall set aside 10% of the sum of said profit in balance and the amount of profit (or loss) items adjusted to the current year's undistributed earnings other than the said profit as legal reserve and a special reserve as required by law. Subject to certain business conditions under which the Company may retain a portion of the remaining balance, the Company may distribute to the shareholders the remainder together with undistributed profits from previous years in proportion to the number of the shares held by each shareholder as shareholders' dividend. However in the case of increase in the Company's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting.

The distribution of shareholders' dividend shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed aimed at maintaining the stability of shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than fifty percent (50%) of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the shareholders' dividend distributed in the same year.

2. Hereby lists the Company's dividend in recent years as follows:

Year	Cash Dividend	Ratio of Total Dividend	Stock dividend	Ratio of Total Dividend	Total dividend
2016	NT \$0.9	100%	NT \$0	0%	NT \$0.9
2017	NT \$1.2	100%	NT \$0	0%	NT \$1.2
2018	NT \$2.8	100%	NT \$0	0%	NT \$2.8
2019	NT \$3.0	100%	NT \$0	0%	NT \$3.0
2020 (Adjusted)	NT \$3.46	100%	NT \$0	0%	NT \$3.46
2021 (Proposed)	NT \$3.4	100%	NT \$0	0%	NT \$3.4

The net income after tax for FY2021 as NT\$ 15,068,221,201. After the appropriation of Legal Reserve and Special Reserve, NT\$ 13,122,144,992 is left. The Broad has proposed a cash dividend of NT\$ 3.4 per share, which is summed up to NT\$ 12,054,945,041 in total.

4.1.9 Effects on Business Performance and EPS Resulting From Stock Dividend Distribution

Unit: NT\$

Unit: IN

Year			2022 (Estimated)
Item			
Paid-In Capital (Beginning of The Year)			NT \$35,455,720,710
Stock & Cash Dividend Distribution	Cash Dividend Per Share		NT\$3.40
	Stock Dividend From Retained Earnings Per Share		0.00 Share
	Stock Dividend From Capital Surplus Per Share		0.00 Share
Variance In Business Performance	Operating Income		Not Applicable*
	% Change In Operating Income		//
	Net Income		//
	% Change In Net Income		//
	Earnings Per Share		//
	% Change In EPS		//
	Average Return on Investment (%) (Reciprocal of Average P/E Ratio)		//
Pro Forma EPS & P/E Ratio	If Retained Earnings Distributed In Cash Dividend	Pro Forma Earnings Per Share	//
		Pro Forma Average Yearly Return on Investment	//
	If Capital Surplus Not Distributed In Stock Dividend	Pro Forma Earnings Per Share	//
		Pro Forma Average Yearly Return on Investment	//
	If Retained Earnings & Capital Surplus Distributed In Cash Dividend Rather Than Stock Dividend	Pro Forma Earnings Per Share	//
		Pro Forma Average Yearly Return on Investment	//

* As the Company does not disclose its financial forecast information, in compliance with relevant governmental regulations, there is no need to provide this information.

4.1.10 Employees' Compensation and Directors' and Supervisors' Remuneration

1. The percentages or ranges with respect to employees' compensation and directors' remuneration as set forth in the Asia Cement Corporation's Articles of Incorporation: Pursuant to the Articles of Incorporation for distribution 0.1%~4% as employees' compensation and distribution less than 2.5% as directors' remuneration base on the profit of the current year. However, the company's accumulated losses shall have been covered. The company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.

2. (1)The basis for estimating the amount of employees' compensation and directors' remuneration: Distribution 0.1%~4% as employees' compensation and less than 2.5% as directors' remuneration shall be based on the profit before income tax of the current year.
- (2)The number of shares to be distributed as employees' compensation: NA
- (3)The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure for the current period: the difference would be regarded as accounting estimation adjustment and recognized as the profit and loss of 2022.
3. Information on resolved by the Board of Directors on March 8, 2022 for distribution of compensation:
 - (1)The amount of any compensation distributed in cash or stocks: Employees' cash compensation is NT\$ 185,108,560. Directors' cash remuneration is NT\$ 161,969,990.
 - (2)If there is any discrepancy between that amount and the estimated are recognized for the fiscal year shall be disclosed the discrepancy amount, its cause, and the status of treatment: No discrepancy.
 - (3)The amount of any employees' compensation distributed in stocks, and the amount as a percentage of the sum of profit after income tax base on the separated financial report and total employees' compensation: NA
3. The actual distribution of employees' compensation and directors' remuneration for the previous fiscal year (with an indication of the number of shares, amount and stock price of the shares distributed), and if there is any discrepancy between the actual distribution and the recognized employees' compensation and directors' remuneration shall be disclosed the discrepancy, its cause, and the status of treatment:
 The Board of Directors resolved on March 25, 2021 to distribute employees' compensation NT\$ 189,833,613 and directors' remuneration NT\$ 166,104,411. The employees' compensation and directors' remuneration was fully distributed and no discrepancy with 2020 separate financial report.
- ◎Buyback of Treasury Stock: None.
- ◎Preferred Stock: None.
- ◎Employee Stock Option: None.
- ◎Restricted Stock Awards for employees: None.
- ◎Merger or acquisition of other company' share to issue new share: None.

4.2 Summary of Corporate Bonds

4.2.1 Issued Corporate Bonds

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2019	2nd Unsecured Corporate Bond Issued in 2019
Item			
Date Issued		May. 8, 2019	Aug. 16, 2019
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$6,500,000,000	NT\$3,500,000,000
Interest Rate		0.88%	0.79%
Term		Five Years. Maturity: May. 8, 2024	Five Years. Maturity: Aug. 16, 2024
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		Masterlink Securities Corporation	Yuanta Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		L.W. Kuo, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$6,500,000,000	NT\$3,500,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Sep. 19, 2018	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Sep. 19, 2018
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None	None
Custodian		None	None

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2020	2nd Unsecured Corporate Bond Issued in 2020
Item			
Date Issued		Apr. 20, 2020	Jun. 18, 2020
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$7,700,000,000	NT\$5,500,000,000
Interest Rate		0.66%	Tranche A: 0.75% Tranche B: 0.83%
Term		Five Years. Maturity: Apr. 20, 2025	Tranche A : Five Years. Maturity : Jun. 18, 2025 Tranche B : Seven Years. Maturity : Jun. 18, 2027
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		H.W. Tai, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$7,700,000,000	NT\$5,500,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Oct. 23, 2019	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Oct. 23, 2019
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None	None
Custodian		None	None

Type of Bond Issued		3rd Unsecured Corporate Bond Issued in 2020	4th Unsecured Corporate Bond Issued in 2020
Item			
Date Issued		Sep. 23, 2020	Dec. 23, 2020
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$6,200,000,000	NT\$9,400,000,000
Interest Rate		Tranche A: 0.65% Tranche B: 0.73%	Tranche A: 0.57% Tranche B: 0.65%
Term		Tranche A : Five Years. Maturity : Sep. 23, 2025 Tranche B : Seven Years. Maturity : Sep. 23, 2027	Tranche A : Five Years. Maturity : Dec. 23, 2025 Tranche B : Seven Years. Maturity : Dec. 23, 2027
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		Masterlink Securities Corporation	Yuanta Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		H.W. Tai, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$6,200,000,000	NT\$9,400,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Oct. 23, 2019	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Positive Bond Ratings: - Credit rating date: Sep. 28, 2020
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None	None
Custodian		None	None

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2021
Item		
Date Issued		Aug. 5, 2021
Par Value		NT\$1,000,000
Issue and Trade Place		N/A
Issue Price		Par Value
Nominal Amount		NT\$6,300,000,000
Interest Rate		0.60%
Term		Five Years. Maturity: Aug. 5, 2026
Guaranty/Guarantor		None
Trustee		China Trust Commercial Bank, Trust Department
Underwriter		KGI Securities Co., Ltd.
Certified Lawyer		M.T.HUANG
Certified Public Accountant		H.W. Tai, P.D. Chen
Repayment Method		Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$6,300,000,000
Redemption Clauses		None
Restrictive Covenants		None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Positive Bond Ratings: - Credit rating date: Sep. 28, 2020
Convertible	Amount Converted	None
	Issue/ Conversion Rules	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None
Custodian		None

Type Of Bond Issued		3 rd Overseas Unsecured Convertible Bonds
Item		
Date Issued		Sep. 21, 2018
Par Value		US\$200,000 and in increments of US\$1,000 thereafter
Issue And Trade Place		Singapore Exchange
Issue Price		Par Value
Nominal Amount		US\$215,000,000
Interest Rate		0%
Term		Five Years Maturity: Sep. 21, 2023
Guaranty/Guarantor		None
Trustee		BNY Mellon
Underwriter		UBS AG Hong Kong Branch
Certified Lawyer		Y.H. Wang
Certified Public Accountant		L.W. Kuo, Y.W. Fan
Repayment Method		Unless previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed at their principal amount with a yield calculated at the rate of 0.6% per annum on the maturity date.
Outstanding Balance		US\$1,060,000
Redemption Clauses		A. The Issuer may redeem the Bonds at the option of the Issuer in whole or in part at any time after three years of the Issue Date at the Early Redemption Price, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Issuer's common shares on the TSE is at least 130% of the amount, which is the price of Early Redemption Price multiplied by the then Conversion Price divided by the principal amount of the Bonds; B. The Issuer may redeem all of the Bonds at the Early Redemption Price in the event that at least 90% of the Bonds have been previously redeemed, repurchased and cancelled or converted. C. The Issuer may redeem all of the Bonds at the Early Redemption Price in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.
Restrictive Covenants		None
Credit Rating Agency/Date/Rating		None
Convertible	Amount Converted	213,940,000

	Issue/ Conversion Rules	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to convert the bonds into the converted securities at any time during the period from the next day immediately after the end of a three-month period following the Issue Date to 30th day prior to the Maturity Date. The aforementioned closed periods shall mean: A. The period during which under the laws of the ROC the Issuer has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law. B. In the event of free distribution of shares, distribution of cash dividend or rights issues, the period from the fifteen trading days prior to the commencement day of the closed period with respect to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits. C. In the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the Common Shares resume trading after such capital reduction. D. Other closed period as required by ROC laws and regulations or by the TSE. E. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		The 3 rd overseas unsecured convertible bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.
Custodian		None

4.2.2 Issued Exchangeable Bonds and Convertible Bonds

Type of Bonds Issued		3 rd Overseas Unsecured Convertible Bonds					
Item	Year	Launch Date	2018	2019	2020	2021	From the current year to March. 31, 2022
Market Price of Convertible Bonds(US\$)	Highest	100	107.07	126.37	130.98	157.05	150.46
	Lowest	100	99.23	101.38	104.49	122.04	139.86
	Average	100	102.37	111.90	120.16	141.27	144.16
Conversion Price/Share		42.24	42.24	39.7	37.11	34.65 ^{Note1}	34.65
Issuing (handling) date and conversion price in issuing		Issued on September. 21, 2018 NT\$42.24/share					
Method of performing conversion obligations		Issuance of new shares					

Note1: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT\$34.65/Share since Aug 12, 2021 as ACC distributed cash dividends and stock dividends.

4.3 Summary of Issued GDR

Since 1992, Asia Cement Corporation issued global depositary receipts (GDRs), which have been traded on the London Stock Exchange. One GDR represents 10 common stock of the Company. The GDR holders enjoy the equivalent right and obligation as common holders.

Due to the low liquidity and trading performance of GDRs, the Board of Directors has resolved on March 25, 2021 to cancel the GDRs to reduce the related management costs. The GDRs is delisted from the London Stock Exchange on July 13, 2021.

4.4 Status on Execution of Capital Utilization Plans

Funds utilization plans have not been completed or have been completed in past 3 years but their benefits have not been appeared: none.

V Overview of Business Operation

5.1 Business Introduction

5.1.1 Business Scope

1. Scope of Business: Please refer to Section 2.1: “Scope of Business.”
2. Main Business and Percentage:
 - A. Production and sales of Cement and clinker: 95%.
 - B. Granulated blast-furnace slag: 5%.
3. New Product Research & Development: None.

5.1.2 Industry Overview

1. Market situation and future outlook

A. The 2021 total cement production volume in Taiwan was 12,111,491 MT, increased 2.1% compared to 2020. Among them, the domestic cement sales was 10,296,719 MT, and exported cement was 1,814,772 MT. Compared with those in 2020, domestic sales increased by 7.31%, exports decreased by 19.93%. In 2021, compared with the traditional industries affected by the epidemic, the cement industry, driven by the joint demand of the government and the private sector, rise against the trend. The cement consumption increased to 12,657,702 MT, increased by 4.56%. The 2021 per capita average cement consumption is about 542 kg, increased 5.45% from 514 kg in 2020. As a result, the cement market in Taiwan showed a stable growth trend.

B. For the year 2022:

(1) Outlook of the domestic market:

In 2021, due to the proper control of the Covid19 epidemic, The economic growth rate is 6.28%, a new high in 11 years. The GDP per capita exceeded US\$30,000 for the first time. According to the estimate issued by the Chinese Academy of Economics in April 2022, it will continue to rise again in 2022, with an annual growth rate of approximately 3.96%.

In Taiwan, in order to revitalize the domestic market, the government will accelerate the implementation of various public construction to expand domestic demand. The total budget for 2022 is NT\$ 146.6 billion for public construction and design, plus a special budget for forward-looking infrastructure NT\$ 85.7 billion, totaling TW\$ 232.3 billion, increased NT\$ 5.6 billion or 2% compared with 2021.

In terms of real estate, the number of houses transaction in the housing market in 2021 was 348 thousand, an increase of 6.7% compared to those in 2020. This is the highest record in recent 7 years. In 2022, the fundamentals of the housing market have maintained a stable because of housing need. However, the recent government's credit control and real estate tax system to curb short-term speculation will cause variables on the growth of the housing market.

In 2022, under the government's regulation of the housing market, severe shortages

of construction workers, Ukrainian-Russian war, and the continued impact of the Covid19 epidemic, the economy is full of uncertainties. However, driven by the government to accelerate the implementation of public works, The total demand for cement in Taiwan is still expected to grow compared to last year.

(2) Outlook of the global markets:

Looking forward to 2022, due to the impact of the Ukrainian-Russian war in the first half of the year, international raw materials have soared and costs have risen. In addition, China has implemented a lockdown policy in many cities after the outbreak of the epidemic in March, which seriously affected the domestic economy and cement demand. China has also temporarily stopped importing a large amount of clinker from Vietnam. Although the cost of cement has increased significantly, the overall international market is still oversupplied, making it difficult for international prices to reflect costs. In the international market, due to the suspension of clinker imports from China, Vietnam's clinker was transferred to the Philippines, Bangladesh and other countries, and the demand from other Southeast Asian countries was stable. In Northeast Asia, Japan's demand continues to be weak, and exports will be increased, but the Korean government continues to stimulate the economy, and domestic cement demand continues to grow. The U.S. market will also be stable. The Company's sales markets in the West of United States and Hawaii will not be affected due to the ongoing infrastructure projects by the local government.

Global energy saving and carbon reduction is the trend. The company's Hualien plant's excellent quality control and research and development capabilities have enabled export of low-carbon cement to the US market in 2022, which not only meets customer requirements but also achieves carbon reduction benefits.

In addition, the company will continue to cooperate with the government's cement export policy, maintain Taiwan's cement export volume not exceeding the policy limit, and supply only a few long-term supply markets. In order to maintain the Company's operating profit, it will continue to actively purchase cement, clinker, gypsum and silica sand from other countries to supply the Southeast Asian market through the trade model. Looking forward to 2022, we will continue the same export strategy to maintain Taiwan's export level and expand the raw material trading business.

Overall, despite the challenges in foreign markets, sales will remain stable due to the quality control capabilities of the Hualien plant, as well as our targeting of supplying low-carbon cement and selecting a niche market in the United States. The cement market in Taiwan showed a stable growth trend., while Foreign markets need to be cautious and wait and see.

C. In addition to root in Taiwan for on-going cement business operation, the Company will keep enhancing its competitiveness by largely expansion in China both in production and sales.

2. The relationships among the value chain of cement industry

The upstream, midstream and downstream sectors of cement industry, namely ready-mixed

concrete, precast, and construction industry, are co-existed and blooming together. Nowadays, vertical integration is the trend in cement industry. As a result, the Company's operation strategy is to establish the downstream subsidiaries—Ya Tung Ready-mixed Concrete Corp. and Yali Precast & Prestressed Concrete Industries Corp., and to invest Far Eastern Construction Company and Far Eastern General Contractor Company to grasp the business opportunities.

3. Product development and company competitiveness

Although the cement products include Portland Cement Type I, Type II, and Special Cement, the major market demand is Portland Cement Type I. However, the overseas market has stronger demand for Special Cement in recent years. The ability to produce quality products and the shipping & loading efficiency has become the key competitive factors.

5.1.3 Technology and Research Development

As of Dec. 31, 2021
Unit: NT\$1,000

Item	Amount
Industrial 4.0 Project Phase 2: - Cloud War Room - Product Line Machine Predictive Maintenance - Intelligent Mining	4,000
Development of CEMS Continuous Monitoring Software System	800
Development of Low Carbon Portland Limestone Cement	1,500
Reduce the value of the mine blasting vibration	332
No. 1 kiln PLC system equipment replacement	7,000
No. 1, No. 2 and No. 3 waste heat power generation PLC system equipment replacement	11,800
No. 1 and No. 2 coal mill continuous automatic monitoring equipment installation project	9,900
Total	16,532

5.1.4 Short-term Business Plan

- ◎ To strengthen the existing domestic and international channels of cement sales.
- ◎ To reduce costs and to maintain fully sell out the estimated production volume and sound profitability.
- ◎ Promote the brand value and maintain a good relationship with customers.
- ◎ Improve products and services to improve user satisfaction.
- ◎ Strive for the opportunity of supplying major government projects.
- ◎ Optimize the product sales structure and increase the company's profitability.
- ◎ Strengthen its own ready-mix channel and product differentiation.
- ◎ Expand circular economy.

5.1.5 Long-term Business Plan

- ◎ Maintain solid position in Taiwan - improve producing efficiency.
- ◎ Increase the investment in China (Please refer to the “I Report to Shareholders” at page 1 and the “8.2 Basic Information of Affiliates” at section 8.2 of this annual report.
- ◎ Extend the global market - Find new markets, new opportunities to expand overseas operations.

5.2 General Information of Market & Production

5.2.1. Markets Analysis

1. Major Sale Markets

A. Cement and Clinker:

“Skyscraper” is the Company’s brand-name for marketing all kinds of our products. Our domestic market includes Taiwan, Penghu, Kinmen and Matsu, and our overseas market includes west United States, Hawaii, Guam, Singapore, etc.

B. Ready-Mixed Concrete:

To provide better customer service, our subsidiary, Ya Tung Ready-Mixed Concrete Corp., has set up many plants around Taiwan, and furthermore established strategic alliance with local firms.

2. Market Share

In 2021, the Company domestic sales was 2,932,960 MT, i.e. 28.48% of the sales amount of all domestic cement producers, which was equal to 23.17% of total cement consumption in Taiwan.

3. Market supply forecast, growth opportunity, and business competitiveness:

A. The market boom in 2022, under the influence of the Ukrainian-Russian war, rising interest rates and the epidemic, will make the market supply and demand full of variables. However, according to the April 2022 forecast of the Chinese Academy of Economics, the GDP growth rate will still reach 3.96%, and the market boom will continue to grow. However, according to a survey by the Taiwan Economic Research Institute, the government has implemented policy controls to curb the housing market, coupled with rising interest rates and high construction costs, resulting in real estate developers being conservative in their outlook on the future. Fortunately, the government will continue the economic stimulus policy and continue to promote various public constructions. Coupled with the return of Taiwanese businessmen to invest in large factories and offices, it is estimated that domestic sales demand will continue to grow moderately in 2022.

In addition, raw materials, labor, environmental protection costs, energy prices, sea freight and the quantity of imported cement, etc., are also important factors affecting the market volume and price.

B. For the export sales, the Company is expected to export 0.6~0.7 million MT of cement and clinker in 2022, which is equivalent to 2021. The Company has long term major customers in Malaysia, United States, and Hawaii, etc. and shall continue to maintain an excellent business relationship with them in the years to come. The Company has also expanded its trading business for cement.

C. In the view of the vast and steady growth market in China, the production, storage, and transportation facilities of the Company constitute an effective competitive niche and

profitability for the Company.

4. Positive factors for the industry development

- A. In 2022, the government will continue to strengthen domestic demand and promote investment in public construction, and actively promote industrial innovation and forward-looking infrastructure to revitalize the domestic market. The total budget of the central government for 2022 is 146.6 billion, plus 85.7 billion for the third phase of the forward-looking infrastructure special budget. The total budget is 232.3 billion. This is an increase of 56 billion from the same basis in 2021, an increase of about 2%.
- B. In 2021, the floor area of the building license application increased by 5% compared with 2020. In 2021, the number of houses transaction was 348 thousand, an increase of 6.7%. This shows that private investment continues to increase. Meanwhile, Taiwanese businessmen returning to Taiwan to invest, government accelerating public construction, reconstruction, urban renewal will help increase domestic construction investment. However, with the impact of the government regulating housing market higher interest rate, epidemic, and the lack of construction labor, these uncertainties in the future are still high, and we still need to continue to observe the follow-up.

5. Negative factors and the solutions

- A. Industry relocation, environmental awareness, and emission limits of carbon dioxide will increase the difficulties in both public constructions and private housing sectors, and cause the construction industry more conservative. This will constrain the growth of cement demand.
- B. The Ministry of Economic Affairs has set limitations on trade volume of domestic cement industry according the Foreign Trade Law. The limitations will gradually lower the export-production ratio from 50% in 2011 to 23% in 2022. The over-supply condition will be worse.
- C. Mining Industry Law is currently in the occasion of amending, the industry will face more stringent operating requirements and limitations.
- D. Limestone tax is raised from NT\$ 10 to NT\$ 70 per metric ton. As well as the recent rise in raw material prices will bring to the cement industry to more difficult condition.
- E. Solutions:

Improve the efficiency of current production, transportation and marketing activities and strengthen the downstream distribution channels in both domestic and overseas market.

Continue selecting good target markets, establish production and distribution channels, expand customers in emerging countries, and realize reasonable profitability.

5.2.2 Application of Major Cement Products

1. Portland Cement Type I:

It is known as ordinary cement, used for all structural projects which are not particularly exposed to sulphuric acid or underground water. Most of the current market supply is in this category.

2. Portland Cement Type II:

With lower hydration heat than Portland Cement Type I as well as low alkalis and moderate resistance to sulfate, Portland Cement Type II is for large-scale structures. It is resistant against cracking and erosion by sea water, salt, and alkali. The general purposes are as follows:

- A. Underground foundation engineering: Tower Building Basement, underpass, sewers, tunnels and massive underground rapid transit systems.

- B. Large-scale concrete works: Bridges, dams, water retention facilities, valve based structure.
 - C. Construction subject to erosion by sea water and sea wind: dock, breakwaters, caisson, breeding plants, harbors, and others.
 - D. Project that requires resistance to sulfate: Sewage treatment plants and chemical engineering.
3. Special Purpose Cement: Produced to meet customers' special needs.
4. Production process:
- All types of cement are produced in accordance to a fixed proportion of mixtures, in the following steps:
- A. Limestone and clay are mixed and ground into raw meal.
 - B. Raw meal is poured into the rotary kiln and burned in high temperature to produce clinker.
 - C. Clinker is mixed with gypsum and ground into cement.
 - D. Cement is sold in bulk or packages.

5.2.3 Supply Condition of Main Raw Materials

The major raw materials used by the Company consist of limestone, clay, gypsum, pyrite, iron slag, and raw coal for fuel. Except a little limestone, most limestone is produced and used by the Company. Clay is purchased from domestic suppliers through long-term contracts. Gypsum and pyrite are supplied by qualified domestic and foreign firms. Fuel coal is supplied by Australian providers via long or short term contracts.

5.2.4 Major Suppliers Information for the Last Two Years

Unit: NT\$1,000

Item	2020				2021			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	BB Co., Australia	819,137	29.16	Raw material supplier	BB Co., Australia	805,786	27.09	Raw material supplier
2	Chung Ling Co.	342,005	12.17	Raw material supplier	Chung Ling Co.	543,873	18.28	Raw material supplier
3	FULL MAX (Gypsum)	47,514	1.69	Raw material supplier	Anhe Engineering	115,951	3.90	Construction supplier
4	Anhe Engineering	163,896	5.83	Construction supplier	KENWAY INTERNATIONAL LTD	85,020	2.86	Equipment supplier
	Others	1,436,747	51.15		Others	1,423,853	47.87	
	Net Total Supplies	2,809,299	100.00		Net Total Supplies	2,974,483	100.00	

Note: Variations are because of market mechanisms.

5.2.5 Major Clients Information for the Last Two Years

Unit: NT\$1,000

Item	2020				2021			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Ya Tung Ready-Mixed Concrete Co.	1,866,025	21.89	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	1,629,420	18.85	Subsidiary
	Others	6,659,058	78.11		Others	7,014,557	81.15	
	Net Sales	8,525,083	100.00		Net Sales	8,643,977	100.00	

Note: Variations are because of market mechanisms.



5.2.6 Output of Main Products

1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Output Product	Year	2020			2021		
		Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker		5,597	3,725	6,896,893	5,597	3,653	6,771,282

2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Output Product	Year	2020			2021		
		Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker		36,600	29,119	24,804,828	36,600	29,787	33,276,188

5.2.7 Sales of Main Products

1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Sales Product	Year	2020				2021			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*		2,762	6,142,157	997	1,588,607	2,972	6,749,732	695	1,062,855

* Cement & Clinker produced by the Company.

2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Sales Product	Year	2020				2021			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*		29,110	43,279,889	-	-	29,679	48,235,550	-	-

* Cement & Clinker produced by the Company.

5.3 Human Resources

Year		2020	2021	As of Mar. 31, 2022
Number of Employees	Headquarter	151	151	152
	Hsinchu Plant	29	29	29
	Hualien Plant	301	303	307
	Total	481	483	488
Average Age		47.92	45.95	45.97
Average Years of Service		21.48	16.95	16.75
Education	Ph.D.	0%	0.21%	0.21%
	Masters	17.67%	18.63%	18.81%
	Bachelor's Degree	47.19%	46.38%	46.63%
	Senior High School	31.81%	31.47%	31.08%
	Below Senior High School	3.33%	3.31%	3.27%

5.4 Expenditures on Environmental Protection

Unit: NT\$ 1,000

Items		Amount
1	Green vegetation and maintenance for quarry	10,237
2	Mine environment and geological monitoring	1,454
3	No. 3 Cement Packaging Machine Bag Type Dust Collector Changed to Jet Type Project	5,185
4	No. 5 Cement Packaging Machine Bag Type Dust Collector Changed to Jet Type Project	5,385
5	ISO 46001:2019 Water Resource Efficiency Management System Construction and Training	315
6	Purchase cost of environmental protection equipment (purchasing)	625
7	(1) Expenditures for environmental protection, such as dust collectors, dust bag maintenance and chimney inspections, amounted to NT\$ 43,623 thousand. (2) The increase in fixed assets of environmental protection is NT\$ 23,802 thousand. (3) The cost of planting, greening and maintenance of the mine is NT\$ 39,260 thousand. (4) The training cost is NT\$ 532 thousand.	107,217
Total		130,418

According to government regulations, the Company set up the continuous emission monitoring system to monitor pollutant opacity of nitrogen oxides, sulfur oxides, and other pollutants.

- ◎ During the most recent fiscal year and the current fiscal year up to the printing date of the annual report, the loss (including compensation) and penalty resulted from environmental pollution:
 - (1) Fine: NT\$ 30,000.
 - (2) Reasons:
 - In June 2021, the wasted oil pipe of the Hsinchu plant leaked oil and contaminated the soil
- ◎ The restriction of RoHS (to restrict the use of hazardous chemicals) is not applicable to the Company.

5.4.1 ISO-14001 Environmental Management Systems (EMS)

1. ISO-14001 EMS has become the trend in many advanced countries.
2. In August 1996, the Hualien plant of the Company passed certification by the Bureau of Commodity Inspection and Quarantine of the Ministry of Economic Affairs (MOEA), and in November of the same year, Hualien plant became one of the first organizations in Taiwan to receive ISO-14001 certification. In July 2000, Taiwan's first Environmental Report was completed by Hualien plant according to Sustainability Reporting Guidelines of Global Reporting Initiative (GRI).
3. The affiliated Jiangxi Yadong Cement Co., Sichuan Yadong Cement Co., Hubei Yadong Cement Co., Huanggang Yadong Cement Co., and Wuhan Yaxin Cement Co., have awarded ISO-14001 certification.

5.4.2 Air Pollution Prevention

1. One of the main environmental concerns relating to cement production is air pollution caused by the dust generated from production processes. Therefore, the work of dust disposal is an important duty, not only to prevent air pollution, but also to reduce the loss of raw materials and finished products. Consequently, ACC has always emphasized on the efficiency of dust collection equipment.

For increasing dust preventive facilities, Hsinchenshan Mine of the Hualien plant had built 440-meters-long fully-closed belt conveyor in 2015, which could completely prevent dust shed or spread, moreover, the Hualien plant has set up dustproof net outside of the belt conveyor and continued to build 180-meters-long fully-closed belt conveyor in 2016.
2. At present, ACC's Hualien plant has 9 electrostatic precipitators and 80 bag filters, with a total investment cost of NT \$950 million.
3. The good maintenance of above equipment ensures dust collection efficiency which is within the legal limit. Consequently, the quality of air around the plants is higher than national standard. As a result, the Environmental Protection Administration (EPA) especially recognized the two plants as environmental protection demonstration plants.
4. In particular, the amount of dust including chimney emissions measured by environmental protection agencies at the Hualien plant was less than 25 milligrams/m³, which was far better than national standard. The plant was awarded by the Chinese National Federation of Industries for its excellent performance of preventing industrial pollution. In addition, the Hualien plant was listed by the EPA as one of the top 10 factories in pollution prevention and has received the Enterprise Environmental Protection Award for three years in a row.

5.4.3 Greening and Beautification for Quarry Restoration

1. Both Hsinchu and Hualien plants have implemented measures for soil conservation and taken actions to green the environment by planting trees and other vegetation. For many years, the Hualien plant promotes the cultivation of the native species of trees for greening the quarry and the plant.
2. As of 2020, the green restoring area is 66.8 acres which is 76.96% of the quarry, while exploiting operation area is 20.0 acres. Recently, the quarry of the Hualien plant is visible from nearby high way and railroad. In order to integrate the quarry into the surrounding environment, the Hualien Plant introduced a new forestation method for quarry restoration. Within merely two year, trees could grow up to 4 meters high.
3. Due to Hualien Plant's dedication of environmental protection and engaging in community activities, the Taroko National Park cooperates with the Company to preserve native species of trees for greening and beatification of the National Park and environment guidance.
4. In 2007, the Hualien Plant was awarded for the excellent performance in the project of "promoting green communities" by the Environmental Protection Administration.

The Hualian plant was awarded the "Asia Responsible Enterprise Awards" by the Enterprise Asia for three years form 2017~2019.

5.4.4 Major Environmental Protection Work in the Future

1. Reinforcing and ensuring the normal operation of environmental facilities.
2. Practicing in industry waste reduction; avoiding pollution.
3. Improving the greening rate in factory and quarry areas.
4. Utilizing wastes as resources to take social responsibilities.
5. Endlessly enhancing the environmental measures and techniques; expecting to reach the goal of "zero pollution".

5.4.5 Fulfill Social Responsibilities

1. The Company volunteered to take care of greenbelts and pavements along the Dun-Hua South Road and An-He Road over a long period of time to fulfill its social responsibilities and strengthen relations with neighborhood.
2. Since 2001 on, Hualien plant has annually participated in local festivals such as lily blossom in Buluowan held by the Taroko National Park and donated potted flowers and plants for all visitors.
3. For our neighbors' traffic safety, the Hualien plant has regularly sponsored Xincheng Branch of the Hualien County Police Office to renew police stands and street lamps.
4. The Company will also sponsor local activities and facilities of the villages and towns nearby the Hsinchu and Hualien plant.
5. Employees are encouraged to serve as hospital volunteers.
6. Based on ACC corporate philosophy of "feeding back to society whatever takes from society," the Company sponsors Far Eastern Medical Foundation, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation, and Far Eastern Memory Foundation and participates in all kinds of public service activities.

5.5 Labor Relations

The Company complies with every regulation of labor relationship. Due to the excellent labor relations, there were no damages or penalties causing from labor disputes.

1. According to law, The Company has Industrial Welfare Committee to allot welfare fund for staffs and conduct many welfare-related activities. In factory, we have basketball courts, tennis courts, badminton courts, table tennis courts, and swimming pools, etc., as staff's recreational facilities. Health examination, group insurance, subsidies for employee's education, trips, and clubs are also included in welfare plans.

2. Employee Relations

The Company provides Employee Assistance Program (EAP) service from Hsinchu Lifeline Association, EAP Center, which offers professional counsel to all issues employees may meet, such as career development, family issues, and interpersonal relationship. We will also conduct a new personnel care questionnaire to understand the workplace adaptability of new employees and provide necessary assistance based on their feedback. In addition, various types of psychological education and care and propaganda will be posted on the company's electronic bulletin board to promote employees' mental health knowledge.

3. Each year, the Human Resources Department conducts curriculums based on the functional needs of different departments and levels, combines the company's development strategies, and provides opportunities for supervisors and employees to fully study and train. It not only achieves the goal of training, but also links with the development of employees' careers. The training courses include new personnel training, core competency training, professional/functional training, leadership training, digital transformation, and sustainable development etc. In 2021, we will implement a series of training to accelerate the cultivation of new talents, as well as internal lecturer online teaching training, so that the company's inheritance will be more institutionalized, and the new talents can quickly integrate with the Company's development.

At the same time, the various departments of the company can also recommend their colleagues to participate in vocational training courses introduced by related companies, government agencies and social organizations, to improve their professional functions, and to link with social pulsations.

In 2021, the high-potential leadership training program was continuously implemented, covering all middle and high-level supervisors of all subsidiaries of the Asia Cement, with a total of 12 hours of training courses. Since 2014, after intensive 225-hour course training, 30 high-level conference internships, and 30 seminars, more than 95% training talents have been promoted. The program also has a training mechanism to enable these potential successors to continue learning to make sure under the increasingly severe environmental challenges of the company, more backbone talents can lead the organization to continue to develop.

In 2021, under the impact of the epidemic, totally 653 training courses were held for ACC employees, roughly 3,887 participants and 12,337 hours; the relevant expenditures amounted to NT\$ 2.09 million.

4. The “Employment Rules of Asia Cement Corporation” articulates regulations in connection with appointment, service, assessment, and rewards as well as punishments, promotion, retirement, and compensation, etc. In order to guarantee the rights relating to retirement and compensation, in accordance with the law the Company sets up Supervisory Committee of the Labor Retirement Fund, allocates work’s retirement reserve fund into the special account managed by assigned institutions, regularly convenes the supervisory committee, and audits the allocation and practice of work’s retirement reserve fund. In addition, in compliance with Labor Pension Act, the Company monthly set aside pension fund for the employees who choose to be subject to the pension mechanism.
5. The Company’s management philosophy “Sincerity, Diligence, Thrift, Prudence and innovation” has been firmly in every employee’s heart. “Sincerity” implies honest and enthusiasm. “Diligence” indicates dedication. “Thrift” signifies frugality and modesty. “Prudence” represents deliberation and accuracy. In short, one important corporate culture of ACC is that every job should be done thoroughly, precisely, and perfectly.

In “Employment Rules of Asia Cement Corporation” mentioned above, the chapter 4 ‘Service’, and chapter 7 ‘Assessment, Reward, Punishment, and Promotion’ clearly illustrate the principles of conduct. In terms of management, besides emphasizing staff self-discipline, the Company also asks every department managers to take responsibilities of educating, advising, and leading their subordinates, which enables employees to fully understand the behavior and ethics criteria.

For better compliance with corporation governance, the Company has also enacted “Codes of Ethical Conduct” and “Principles for Ethical Management”.

6. Policies of labor safety and health

A. Management in Labor Safety and Health

The Company’s policy of labor safety and health is based on the following vision-“protecting labor safety, improving occupational environment, and building up friendly workplace.” Also, we comply with Labor Safety and Health Act, carry out systematical management in occupational health and safety, and implement identification of the hazardous factors, risk evaluation and control in workplace. Besides setting up safety standards and developing safety management system, the safety-related training courses, such as prevention of hidden dangers, emergency response planning, and safety self-management are regularly and irregularly held, to ensure that all employees can obey safety related rules and operate safety equipment and protective outfits well.

In February 2009, the Hualien plant has passed TOSHMS (Taiwan Occupational Safety and Health Management System). The "CNS15506: 2011 Taiwan Occupational Safety and Health Management System" and "OHSAS18001: 2007 Occupational Safety and Health Management System" currently implemented by Hualien Plant were evaluated and approved by the Foundation for Research and Development of Metal Industry Research and Development Center on June 28, 2016. Its effective period is to June 27, 2019. It passed certification on June 28, 2019 and changed to "ISO45001:2018" and "CNS15506:2011". It is expected to be changed to "CNS45001:2018 Z2158" again in June 2020. The Headquarters and Hsinchu Plant also follows the model of Hualien plant for establishing a faultless occupational safety and

health management System.

A major occupational disaster occurred in the Company's Hualien Manufacturing Plant in 2017. It was caused by the failure of laborers to comply with SOP operations and non-compliance with hazard warnings. Under conditions without approval and without protective gear, the laborers rushed into the material cabinet and suffocated and died as buried in fallen gypsum material. The Company held a review meeting on July 19, 2017 for effectively improving the management of occupational safety and health, and proposed a strategy for improving the related management and safety to effectively reduce the agglomeration of materials and the frequency of clearing operations. Also, the risk assessment will be re-adopted. The Company will amend the SOP, implement training, and introduce new types of equipment to increase the labor safety.

Since March 2018, the Company has implemented the "Intensive Occupational Safety and Health Management Improvement Plan". As of March 2022, there have been no major occupational accidents in the three-year period, but there are still 2 general occupational accidents between February and March 2020. After investigation and analysis, most of them were from unsafe behaviors of workers. In addition to improving the safety of machinery and equipment, the Company also implement education, training, and safety observation to enhance workers' safety awareness. The company is continuing to implement improvement plans , such as joining Safety Partner Program of Taiwan Cement Manufacturer's Association and the Occupational Safety and Health Department. The Company will continue to improve with the goal of zero disasters, hoping to build a corporate safety culture.

B. Workplace environment and labor safety protection

To assure employee safety and health, protect the assets of the Company, and make comfortable and safe workplace, based on safety-related rules, we have the following active measures:

a. Following procurement to assure the intrinsic safety of raw materials and equipment:

Conforming to the safety and health standard is the essential consideration of purchasing raw materials and equipment to assure the intrinsic safety of manufacture procedure, products, and equipment.

b. General safety management, training courses, and related auditing:

We monthly hold safety and health committee and safety-related courses for employees and contractors to make sure that everyone working with ACC fully understands the possible hazardous factors and prevention measures in workplace, and obeys safety-related standards to preclude the occurrence of any disaster. Also, by means of "the walking around management" and frequently patrols, we investigate flaws and also improve them to assure the effective operation in safety management.

c. Workplace environmental monitoring system and usage of protective outfits:

All plants regularly monitor noise, high temperature, and radiation around workplace, so the unusual condition can be immediately detected and eliminated. Also, all employees can be protected from possible dangers by protective outfits designed for different hidden hazardous factors in workplace.

d. Health Care Management for Employees:

All plants set up medical offices with nursing staff and contracted doctors, and prepare emergency medicine, equipment, and supplies. According to related rules, all employees regularly accept health assessment and carry out health care management.

e. Emergency Drills and Exercises

All plants shall regularly exercise emergency response drills by following their emergency response plan. All employees shall be familiar with relevant details, which ensures the losses could be minimized in case of emergency.

7. ACC has enjoyed harmonious relations between management and employees for years. Employees devoted their time and hard work to the Company. In recent years, the Company's continuous excellent performance of sales and production is a proof of employees' effort. The Company's work and employment regulations are based on the Labor Law and in some cases even exceed the minimum requirements of the law. Besides reasonable payment, ACC gives seasonal bonuses to encourage clinker production, attendance award, and cost and resource-saving measures, as well as year-end bonuses based on the Company's annual performance.

The Company was awarded “2013 Excellence Recognition for its collective agreement with employees” by the Ministry of Labor.

5.6 Major Contracts

Type of Contract	Contracting Party	Contract Duration	Primary Contents	Restrictive Clauses
Bank long-term loan/guarantee	Mizuho Corporate Bank, Taipei Branch	2022/03~2024/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	BNP PARIBAS Taipei Branch	2021/03~2023/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	SMBC Bank Taipei Branch	2021/11~2023/11	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	First Commercial Bank, Tung-Hwa Branch	2022/01~2023/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Hwa Nan Commercial Bank, Tung-Hwa Branch	2022/01~2024/01	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Far Eastern International Bank Business Dept.	2020/12~2023/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Yuanta Commercial Bank	2022/03~2024/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of Taiwan Wu-Chang Branch	2021/12~2023/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	DBS Bank (Taiwan) Ltd	2021/10~2023/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Land Bank of Taiwan Co., Ltd. Tung-Hwa Branch	2021/09~2023/09	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	KGI Bank	2021/10~2023/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Chang Hwa Bank Tung-Hwa Branch	2021/08~2023/08	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	E.Sun Commercial Bank	2021/07~2023/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of China Taipei Branch	2021/07~2023/07	Interest paid monthly, principal repaid at maturity	None

Type of Contract	Contracting Party	Contract Duration	Primary Contents	Restrictive Clauses
Bank long-term unsecured loan	Mega International Commercial Bank Foreign Dept.	2021/06~2023/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Mega International Commercial Bank Foreign Dept.	2021/06~2023/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Taiwan Cooperative Bank Ta-An Branch	2021/04~2023/04	Interest paid monthly, principal repaid at maturity	None
Long term raw material supply	BB Co.,	2021/01~2021/12	Contract of Coal Purchase	None
Long term raw material supply	Chung Ling Co.	2021/04~2024/03	Contract of Clay Purchase	None
Long term raw material supply	FULL MAX (Gypsum)	2021/01~2021/12	Contract of Gypsum Purchase	None
Long term service provider	Anhe Enterprise	2021/01~2020/12	Contract of service	None
Long term construction service provider	Yuantai Corp.	2020/01~2021/06	Contract of construction service	None

VI Financial Information

6.1 Financial Reports & Audit Results in Recent five Years

6.1.1 Consolidated Balance Sheets

UNIT: NT\$1,000

Year Item		Five-Year Financial Summary				
		2017	2018	2019	2020	2021
Current Assets		50,262,702	80,358,506	89,242,066	87,023,947	105,955,718
Property, Plant and Equipment		53,738,838	52,549,341	50,681,281	52,820,212	41,431,732
Intangible Assets		4,552,561	3,694,783	7,000,317	7,254,262	6,969,037
Other Assets		138,510,247	142,585,368	150,354,848	149,988,434	162,699,582
Total Assets		247,064,348	279,187,998	297,278,512	297,086,855	317,056,069
Current Liabilities	Before Apportioned	53,948,167	62,804,294	74,335,619	64,027,610	71,082,366
	After Apportioned	57,981,903	72,216,346	84,419,961	75,960,748	-
Non-current Liabilities		47,319,817	57,335,358	53,493,855	63,172,293	65,700,817
Total Liabilities	Before Apportioned	101,267,984	120,139,652	127,829,474	127,199,903	136,783,183
	After Apportioned	105,301,720	129,551,704	137,913,816	139,133,041	-
Equity Attributable To Owners Of The Corporation		127,435,565	137,892,226	146,067,358	147,768,559	156,926,923
Share Capital		33,614,472	33,614,472	33,614,472	33,614,472	35,455,721
Capital Surplus		1,168,692	1,362,554	1,456,054	1,492,584	5,986,339
Retained Earnings	Before Apportioned	94,196,274	99,918,986	108,564,355	111,583,496	114,999,751
	After Apportioned	90,162,538	90,506,934	98,480,013	99,650,358	-
Other Equity		(1,543,873)	2,996,214	2,432,477	1,078,007	485,112
Non-Controlling Interests		18,360,799	21,156,120	23,381,680	22,118,393	23,345,963
Total Equity	Before Apportioned	145,796,364	159,048,346	169,449,038	169,886,952	180,272,886
	After Apportioned	141,762,628	149,636,294	159,364,696	157,953,814	-

6.1.2 Consolidated Statements Of Comprehensive Income

UNIT: NT\$1,000

Year Item	Five-Year Financial Summary				
	2017	2018	2019	2020	2021
Operating Revenue	64,899,248	82,741,004	89,347,637	78,240,880	89,654,713
Realized Gross Profit	10,170,478	21,171,461	25,586,317	23,329,476	21,180,878
Profit From Operations	7,436,716	18,153,110	22,063,176	19,670,138	17,686,217
Non-operating Income And Expenses	1,062,443	2,217,008	6,330,006	4,473,745	4,247,696
Income Before Income Tax	8,499,159	20,370,118	28,393,182	24,143,883	21,933,913
Net Profit For The Period	6,665,541	14,889,197	22,243,953	18,773,807	17,527,770
Other Comprehensive Income , Net	2,119,539	1,436,173	(617,304)	(1,189,331)	(396,550)
Total Comprehensive Income For The Period	8,785,080	16,325,370	21,626,649	17,584,476	17,131,220
Net Profit Attributable To Owner Of The Company	5,469,007	11,117,094	17,459,673	14,710,486	15,068,221
Net Profit Attributable To Non-Controlling Interests	1,196,534	3,772,103	4,784,280	4,063,321	2,459,549
Total Comprehensive Income Attributable To Owner Of The Company	7,895,746	12,811,353	17,652,536	13,255,580	14,758,614
Total Comprehensive Income Attributable To Non-Controlling Interests	889,334	3,514,017	3,974,113	4,328,896	2,372,606
Earnings Per Share	1.74	3.54	5.56	4.70	4.70

6.1.3 Separate Balance Sheets

UNIT: NT\$1,000

UNIT: NT\$1,000

Year Item		Five-Year Financial Summary				
		2017	2018	2019	2020	2021
Current Assets		8,969,876	10,164,679	10,880,961	11,779,434	17,693,205
Property, Plant and Equipment		4,665,393	4,374,050	4,234,288	4,137,094	4,375,078
Intangible Assets		8,948	8,344	4,957	3,171	3,309
Other Assets		166,201,481	178,284,025	188,820,293	199,978,546	208,445,586
Total Assets		179,845,698	192,831,098	203,940,499	215,898,245	230,517,178
Current Liabilities	Before Apportioned	15,051,567	17,648,284	16,273,235	14,682,102	16,716,480
	After Apportioned	19,085,303	27,060,336	26,357,577	26,615,240	-
Non-current Liabilities		37,358,566	37,290,588	41,599,906	53,447,584	56,873,775

Item \ Year		Five-Year Financial Summary				
		2017	2018	2019	2020	2021
Total Liabilities	Before Apportioned	52,410,133	54,938,872	57,873,141	68,129,686	73,590,255
	After Apportioned	56,443,869	64,350,924	67,957,483	80,062,824	-
Share Capital		33,614,472	33,614,472	33,614,472	33,614,472	35,455,721
Capital Surplus		1,168,692	1,362,554	1,456,054	1,492,584	5,986,339
Retained Earnings	Before Apportioned	94,196,274	99,918,986	108,564,355	111,583,496	114,999,751
	After Apportioned	90,162,538	90,506,934	98,480,013	99,650,358	-
Other Equity		(1,543,873)	2,996,214	2,432,477	1,078,007	485,112
Total Equity	Before Apportioned	127,435,565	137,892,226	146,067,358	147,768,559	156,926,923
	After Apportioned	123,401,829	128,480,174	135,983,016	135,835,421	-

6.1.4 Separate Statements Of Comprehensive Income

UNIT: NT\$1,000

Item \ Year		Five-Year Financial Summary				
		2017	2018	2019	2020	2021
Operating Revenue		8,186,867	8,732,236	8,985,917	8,991,169	9,134,245
Realized Gross Profit		670,927	256,534	469,483	1,061,298	1,334,852
Profit From Operations		148,282	(393,973)	(212,675)	510,628	696,636
Non-operating Income And Expenses		5,253,097	12,588,705	18,368,775	14,952,902	14,913,920
Income Before Income Tax		5,401,379	12,194,732	18,156,100	15,463,530	15,610,556
Net Profit For The Year		5,469,007	11,117,094	17,459,673	14,710,486	15,068,221
Other Comprehensive Income , Net		2,426,739	1,694,259	192,863	(1,454,906)	(309,607)
Total Comprehensive Income For The Year		7,895,746	12,811,353	17,652,536	13,255,580	14,758,614
Earnings Per Share		1.74	3.54	5.56	4.70	4.70

6.1.5 Auditors' Opinions from 2017 to 2021

Year	CPA's Name	Audit Opinion
2017	Li Wen Kuo 、You Wei Fan	Unqualified Opinion
2018	Li Wen Kuo 、You Wei Fan	Unqualified Opinion with Emphasis of Matter Paragraphs and Other Matter Paragraphs
2019	Shin Wei Dai 、You Wei Fan	Unqualified Opinion with Other Matter Paragraphs
2020	Shin Wei Dai 、You Wei Fan	Unqualified Opinion with Other Matter Paragraphs
2021	Shin Wei Dai 、Pei De Chen	Unqualified Opinion with Other Matter Paragraphs

6.2 Financial Analysis

6.2.1 Consolidated Financial Statements

Item \ Year		Financial Analysis (2017~2021)				
		2017	2018	2019	2020	2021
Capital Structure Analysis	Debts Ratio (%)	40.99	43.03	43.00	42.82	43.14
	Long-term Fund to Property, Plant and Equipment (%)	359.36	411.77	439.89	441.23	593.68
Liquidity Analysis	Current Ratio (%)	93.17	127.95	120.05	135.92	149.06
	Quick Ratio (%)	80.98	112.34	109.57	125.61	136.66
	Times Interest Earned (Times)	5.80	13.17	16.60	21.75	25.53
Operating Performance Analysis	Average Collection Turnover (Times)	3.96	3.99	3.95	4.05	5.23
	Days Sales Outstanding	92	91	92	90	70
	Average Inventory Turnover (Times)	8.11	7.52	7.25	7.63	8.89
	Average Payment Turnover (Times)	7.30	7.73	5.85	4.76	6.21
	Average Inventory Turnover Days	45	49	50	48	41
	Property, Plant and Equipment Turnover (Times)	1.15	1.56	1.73	1.51	1.90
	Total Assets Turnover (Times)	0.27	0.31	0.31	0.26	0.29
Profitability Analysis	Return on Total Assets (%)	3.35	6.17	8.22	6.63	5.94
	Return on Shareholders' Equity (%)	4.65	9.77	13.54	11.07	10.01
	Pre-tax Income to Paid-in Capital Ratio (%)	25.28	60.60	84.47	71.83	61.86
	Net Margin (%)	10.27	17.99	24.90	23.99	19.55
	Basic Earnings Per Share (NT\$)	1.74	3.54	5.56	4.70	4.70
Cash Flow	Cash Flow Ratio (%)	15.09	14.75	50.14	30.65	12.09
	Cash Flow Adequacy Ratio (%)	133.25	127.58	180.16	172.34	131.52
	Cash Reinvestment Ratio (%)	2.49	2.24	11.73	3.80	(1.29)
Leverage	Operating Leverage	1.70	1.27	1.28	1.25	1.28
	Financial Leverage	1.31	1.10	1.09	1.06	1.05

Analysis of deviation of 2021 vs. 2020 over 20%:

The increase in Long-term Fund to Property, Plant and Equipment was mainly due to the decrease of property, plant and equipment in 2021.

The increase in Average Collection Turnover (Times) and the decrease in Days Sales Outstanding were mainly due to the increase of operating revenue and the decrease of average trade receivables.

The increase in Average Payment Turnover (Times) was mainly due to the increase of operating costs.

The increase in Property, Plant and Equipment Turnover (Times) was mainly due to the decrease of property, plant and equipment in 2021 and the increase of operating revenue.

The decrease in Cash Flow Ratio and Cash Reinvestment Ratio were mainly due to the decrease in cash provided by operating activities in 2021.

The decrease in Cash Flow Adequacy Ratio was mainly due to the increase of cash dividends paid during 2017-2021.

6.2.2 Separate Financial Statements

Item \ Year		Financial Analysis (2017~2021)				
		2017	2018	2019	2020	2021
Capital Structure Analysis	Debts Ratio (%)	29.14	28.49	28.38	31.56	31.92
	Long-term Fund to Property, Plant and Equipment (%)	3,532.27	4,005.05	4,432.09	4,863.71	4,886.79
Liquidity Analysis	Current Ratio (%)	59.59	57.60	66.86	80.23	105.84
	Quick Ratio (%)	50.93	48.17	57.37	70.79	98.09
	Times Interest Earned (Times)	17.29	37.73	50.16	43.36	40.72
Operating Performance Analysis	Average Collection Turnover (Times)	9.37	8.92	8.43	8.64	8.98
	Days Sales Outstanding	39	41	43	42	41
	Average Inventory Turnover (Times)	5.83	5.72	5.30	5.41	5.81
	Average Payment Turnover (Times)	4.92	5.44	5.18	4.45	3.85
	Average Inventory Turnover Days	63	64	69	67	63
	Property, Plant and Equipment Turnover (Times)	1.67	1.93	2.09	2.15	2.15
	Total Assets Turnover (Times)	0.05	0.05	0.05	0.04	0.04
Profitability Analysis	Return on Total Assets (%)	3.27	6.11	8.95	7.15	6.89
	Return on Shareholders' Equity (%)	4.37	8.38	12.30	10.01	9.89
	Pre-tax Income to Paid-in Capital Ratio (%)	16.07	36.28	54.01	46.00	44.03
	Net Margin (%)	66.8	127.31	194.30	163.61	164.96
	Basic Earnings Per Share (NT\$)	1.74	3.54	5.56	4.70	4.70
Cash Flow	Cash Flow Ratio (%)	21.99	18.45	47.97	47.30	39.39
	Cash Flow Adequacy Ratio (%)	92.22	88.37	83.03	80.17	69.44
	Cash Reinvestment Ratio (%)	0.19	(0.49)	(0.94)	(1.71)	(2.72)
Leverage	Operating Leverage	5.29	Note1	Note1	1.94	1.59
	Financial Leverage	(0.81)	Note2	Note2	3.51	2.29
Analysis of deviation of 2021 vs. 2020 over 20%: The increase in Current Ratio and Quick Ratio were mainly due to the increase of current assets. The decrease in Cash Reinvestment Ratio was mainly due to the increase of cash dividends paid in 2021. The decrease in Financial Leverage was mainly due to the increase of income from operations in 2021.						

Note1 : The ratio was equal or less than zero.

Note2 : The ratio was not calculated due to operating loss.

*Glossary

1. Capital Structure Analysis

- (1) Debt Ratio = Total Liabilities / Total Assets
- (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity Analysis

- (1) Current Ratio = Current Assets / Current Liabilities
- (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
- (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis

- (1) Average Collection Turnover = Net Sales / Average Trade Receivables
- (2) Days Sales Outstanding = 365 / Average Collection Turnover
- (3) Average Inventory Turnover = Cost of Sales / Average Inventory
- (4) Average Payment Turnover = Cost of Sales / Average Trade Payables
- (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover
- (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
- (7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability Analysis

- (1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
- (2) Return on Shareholders' Equity = Net Income / Average Total Equity
- (3) Pre-tax Income to Paid-in Capital Ratio = Income before Tax / Paid-in Capital
- (4) Net Margin = Net Income / Net Sales
- (5) Basic Earnings Per Share = (Net income attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow

- (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
- (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
- (3) Cash Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage

- (1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations
- (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

6.3 Audit Committee's Review Report on the 2020 Financial Statements

To: The 2022 Regular Shareholders' Meeting

The Board of Directors has prepared the Company's 2020 Business Report, the Proposal for Profit Distribution, and the Financial Statements certified by CPA Mr. Xin Wei Tai and Mr. Pei De Chen of the Deloitte & Touche. The Business Report, Financial Statements, and the Proposal for Profit Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Asia Cement Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Chairman of the Audit Committee: Yun-Pen Chu

May 10, 2022

6.4 Financial Statements and Independent Auditors' Report

Please refer to Attachment for the Notes to Financial Statements.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Asia Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 are described as follows:

Estimated Impairment of Trade Receivables in the Concrete Segment in Mainland China

With the PRC government's property market tightening regulations, the property development sector, of which the indirect and ultimate customers of the Group's concrete segment in mainland China were a part, faced massive debt and cash flow issues. The management of the Group estimates the amount of lifetime expected credit losses (ECLs) of trade receivables based on a provision matrix through grouping of various debtors that have common risk characteristics, after considering the aging and repayment history of the respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information; refer to Notes 5 and 10 to the consolidated financial statements for the details. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in the concrete segment in mainland China as one of the key audit matters.

The corresponding audit procedures that we performed for the estimated impairment of the above trade receivables were as follows:

1. We obtained an understanding of the relevant key controls over the assessment and monitoring of credit risks, and determination of allowance for ECLs.
2. We evaluated the model used by management in determining the allowance for ECLs.
3. We tested the integrity of information used by management to develop the provision matrix, including the aging analysis of trade receivables in the concrete segment in mainland China as of the balance sheet date, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents.
4. We challenged management's basis and judgment in determining the credit loss allowance on trade receivables in the concrete segment in mainland China as of the balance sheet date, including their identification and provision of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).
5. We obtained confirmations and evidence of subsequent settlements on a sample basis for trade receivable balances in the concrete segment in mainland China.

Fair Value Measurement of Investment Properties

Investment properties of Asia Cement Corporation are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers; refer to Notes 5 and 17 to the consolidated financial statements for the details. Because the valuation of investment properties involves significant judgments and uncertainties, we considered the fair value measurement of

investment properties as one of the key audit matters.

The corresponding audit procedures that we performed for the fair value measurement of investment properties were as follows:

1. We assessed the professional competence and independence of the appraiser engaged by management and obtained an understanding of the appraiser's scope of work and process of engagement to confirm that no circumstances affect the appraiser's independence and limit the scope of his work.
2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in the valuation.
3. We sample-tested items from management's supporting documents to verify the valuation process used by management and recalculated the fair value of investment properties to assess the reasonableness of management's calculation.

Other Matter

The financial statements of China Shanshui Cement Group Limited (CSCGL) as of December 31, 2021 and 2020, an associate accounted for using the equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2021 and 2020, the aggregate carrying amount of the equity-method investments in CSCGL was NT\$16,266,895 thousand and NT\$14,380,609 thousand, respectively, representing 5.1% and 4.8% of the consolidated total assets. For the years ended December 31, 2021 and 2020, the share of profit or loss of CSCGL was NT\$1,954,442 thousand and NT\$2,146,467 thousand, respectively, both representing 8.9% of the consolidated profit before income tax.

We have also audited the parent company only financial statements of Asia Cement Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of

entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tai, Xin Wei and Chen, Pei De.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 35)	\$ 33,450,618	10	\$ 25,911,732	9
Financial assets at fair value through profit or loss - current (Note 7)	24,229,761	8	14,864,809	5
Financial assets at fair value through other comprehensive income - current (Notes 8 and 36)	3,902,921	1	4,252,727	2
Financial assets at amortized cost - current (Notes 6, 9, 35 and 36)	14,755,328	5	16,575,640	6
Contract assets - current (Notes 28 and 35)	188,287	-	98,607	-
Notes receivable				
Third parties	6,744,079	2	7,046,851	2
Trade receivables				
Third parties (Notes 10 and 11)	10,314,291	3	8,850,968	3
Related parties (Notes 10 and 35)	666,721	-	650,797	-
Other receivables (Note 35)	568,283	-	580,809	-
Current tax assets (Note 30)	73,780	-	9,434	-
Inventories (Note 12)	8,813,309	3	6,596,268	2
Prepayments (Note 35)	1,907,635	1	1,050,301	-
Other current assets (Note 20)	340,705	-	535,004	-
Total current assets	105,955,718	33	87,023,947	29
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 14, 35 and 36)	88,108,186	28	84,873,235	29
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 36)	11,132,674	4	11,127,995	4
Financial assets at amortized cost - non-current (Notes 6, 9, 35 and 36)	60,619	-	52,778	-
Property, plant and equipment (Notes 15 and 36)	41,431,732	13	52,820,212	18
Right-of-use assets (Notes 16 and 35)	4,756,164	2	4,938,963	2
Investment properties (Notes 17 and 36)	36,843,630	12	36,589,248	12
Intangible assets (Notes 18 and 19)	6,969,037	2	7,254,262	2
Deferred tax assets (Note 30)	891,351	-	690,705	-
Finance lease receivables - non-current (Note 11)	16,304,836	5	7,392,214	3
Other non-current assets (Notes 20 ,26 and 35)	4,602,122	1	4,323,296	1
Total non-current assets	211,100,351	67	210,062,908	71
TOTAL	\$ 317,056,069	100	\$ 297,086,855	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 35)	\$ 23,699,570	7	\$ 19,214,889	7
Short-term bills payable (Note 22)	27,887,081	9	13,881,948	5
Financial liabilities at fair value through profit or loss - current (Notes 7 and 35)	-	-	425,693	-
Contract liabilities - current (Note 28)	1,046,223	-	1,117,842	-
Accounts payable and accrued expenses				
Third parties (Note 19)	12,237,120	4	9,316,509	3
Related parties (Note 35)	265,249	-	247,171	-
Dividends and bonuses payable	251,819	-	238,361	-
Other payables - others	40,281	-	139,378	-
Current tax liabilities (Note 30)	2,414,410	1	2,954,930	1
Provisions - current (Note 25)	74,782	-	52,000	-
Lease liabilities - current (Notes 16 and 35)	187,274	-	222,101	-
Deferred revenue - current (Note 24)	75,912	-	75,912	-
Current portion of long-term liabilities (Notes 23 and 35)	2,902,645	1	16,140,876	6
Total current liabilities	71,082,366	22	64,027,610	22
NON-CURRENT LIABILITIES				
Bonds payable (Note 23)	45,131,854	14	38,800,000	13
Long-term borrowings (Notes 23 and 35)	7,050,329	2	10,944,833	4
Provisions - non-current (Notes 20, 25 and 37)	1,027,756	1	915,754	-
Deferred tax liabilities (Note 30)	10,297,825	3	10,115,317	4
Lease liabilities - non-current (Notes 16 and 35)	1,084,452	1	1,158,824	-
Deferred revenue - non-current (Note 24)	696,069	-	771,981	-
Net defined benefit liabilities - non-current (Note 26)	130,949	-	173,189	-
Other non-current liabilities	281,583	-	292,395	-
Total non-current liabilities	65,700,817	21	63,172,293	21
Total liabilities	136,783,183	43	127,199,903	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 27)				
Share capital	35,455,721	11	33,614,472	11
Capital surplus	5,986,339	2	1,492,584	1
Retained earnings				
Legal reserve	19,783,405	7	18,473,057	6
Special reserve	66,476,869	21	65,267,773	22
Unappropriated earnings	28,739,477	9	27,842,666	10
Total retained earnings	114,999,751	37	111,583,496	38
Other equity	485,112	-	1,078,007	-
Total equity attributable to owners of the Corporation	156,926,923	50	147,768,559	50
NON-CONTROLLING INTERESTS (Notes 27 and 32)	23,345,963	7	22,118,393	7
Total equity	180,272,886	57	169,886,952	57
TOTAL	\$ 317,056,069	100	\$ 297,086,855	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 28 and 35)	\$ 89,654,713	100	\$ 78,240,880	100
OPERATING COSTS (Notes 12, 29 and 35)	<u>68,473,835</u>	<u>77</u>	<u>54,911,404</u>	<u>70</u>
GROSS PROFIT	21,180,878	23	23,329,476	30
OPERATING EXPENSES				
Administrative expenses (Notes 29 and 35)	2,855,967	3	3,115,420	4
Expected credit loss (Note 10)	<u>638,694</u>	<u>1</u>	<u>543,918</u>	<u>1</u>
Total operating expenses	<u>3,494,661</u>	<u>4</u>	<u>3,659,338</u>	<u>5</u>
OPERATING INCOME	<u>17,686,217</u>	<u>19</u>	<u>19,670,138</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	807,847	1	1,085,263	1
Other income (Note 29)	674,520	1	999,556	1
Other gains and losses (Note 29)	(2,658,895)	(3)	(1,086,933)	(1)
Finance costs (Note 29)	(894,326)	(1)	(1,163,645)	(1)
Share of profit of associates and joint ventures	<u>6,318,550</u>	<u>7</u>	<u>4,639,504</u>	<u>6</u>
Total non-operating income and expenses	<u>4,247,696</u>	<u>5</u>	<u>4,473,745</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	21,933,913	24	24,143,883	31
INCOME TAX EXPENSE (Note 30)	<u>4,406,143</u>	<u>5</u>	<u>5,370,076</u>	<u>7</u>
NET INCOME FOR THE YEAR	<u>17,527,770</u>	<u>19</u>	<u>18,773,807</u>	<u>24</u>
OTHER COMPREHENSIVE LOSS, NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	180,387	-	(64,126)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	275,617	-	(978,258)	(1)
Share of other comprehensive income (loss) of associates and joint ventures	<u>623,962</u>	<u>1</u>	<u>(254,143)</u>	<u>(1)</u>
	<u>1,079,966</u>	<u>1</u>	<u>(1,296,527)</u>	<u>(2)</u>

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (536,043)	-	\$ 885,825	1
Share of other comprehensive loss of associates and joint ventures	<u>(940,473)</u>	<u>(1)</u>	<u>(778,629)</u>	<u>(1)</u>
	<u>(1,476,516)</u>	<u>(1)</u>	<u>107,196</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(396,550)</u>	<u>-</u>	<u>(1,189,331)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,131,220</u>	<u>19</u>	<u>\$ 17,584,476</u>	<u>22</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 15,068,221	17	\$ 14,710,486	19
Non-controlling interests	<u>2,459,549</u>	<u>3</u>	<u>4,063,321</u>	<u>5</u>
	<u>\$ 17,527,770</u>	<u>20</u>	<u>\$ 18,773,807</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 14,758,614	16	\$ 13,255,580	17
Non-controlling interests	<u>2,372,606</u>	<u>3</u>	<u>4,328,896</u>	<u>5</u>
	<u>\$ 17,131,220</u>	<u>19</u>	<u>\$ 17,584,476</u>	<u>22</u>
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 4.70</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 4.57</u>		<u>\$ 4.41</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation													
							Other Equity							
	Share Capital Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Cash Flow Hedges	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2020	3,361,447	\$ 33,614,472	\$ 1,456,054	\$ 16,727,089	\$ 64,463,426	\$ 27,373,840	\$ (5,913,201)	\$ 7,908,323	\$ 385,214	\$ 52,141	\$ 2,432,477	\$ 146,067,358	\$ 23,381,680	\$ 169,449,038
Appropriation of 2019 earnings														
Legal reserve	-	-	-	1,745,968	-	(1,745,968)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	804,347	(804,347)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,084,341)	-	-	-	-	-	(10,084,341)	-	(10,084,341)
Net profit for the year ended December 31, 2020	-	-	-	-	-	14,710,486	-	-	-	-	-	14,710,486	4,063,321	18,773,807
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(103,026)	(195,754)	(1,491,574)	331,756	3,692	(1,351,880)	(1,454,906)	265,575	(1,189,331)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	36,112	-	-	-	-	-	-	-	-	36,112	-	36,112
Actual acquisition of interests in subsidiaries	-	-	418	-	-	(1,424,920)	-	-	-	-	-	(1,424,502)	(3,966,552)	(5,391,054)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(20,704)	-	-	-	-	-	(20,704)	20,704	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,646,335)	(1,646,335)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	2,590	-	(2,590)	-	-	(2,590)	-	-	-
Other changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(60,944)	-	-	-	-	-	(60,944)	-	(60,944)
BALANCE AT DECEMBER 31, 2020	3,361,447	33,614,472	1,492,584	18,473,057	65,267,773	27,842,666	(6,108,955)	6,414,159	716,970	55,833	1,078,007	147,768,559	22,118,393	169,886,952
Appropriation of 2020 earnings														
Legal reserve	-	-	-	1,310,348	-	(1,310,348)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	1,209,096	(1,209,096)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,933,138)	-	-	-	-	-	(11,933,138)	-	(11,933,138)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221	2,459,549	17,527,770
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	251,158	(1,302,920)	545,523	194,724	1,908	(560,765)	(309,607)	(86,943)	(396,550)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142	-	6,338,142
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661	(2,499)	(1,838)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,142,544)	(1,142,544)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-	-	-
Other changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)	7	(2,095)
BALANCE AT DECEMBER 31, 2021	<u>3,545,572</u>	<u>\$ 35,455,721</u>	<u>\$ 5,986,339</u>	<u>\$ 19,783,405</u>	<u>\$ 66,476,869</u>	<u>\$ 28,739,477</u>	<u>\$ (7,411,875)</u>	<u>\$ 6,928,068</u>	<u>\$ 911,178</u>	<u>\$ 57,741</u>	<u>\$ 485,112</u>	<u>\$ 156,926,923</u>	<u>\$ 23,345,963</u>	<u>\$ 180,272,886</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors’ report dated March 31, 2022)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 21,933,913	\$ 24,143,883
Adjustments for:		
Depreciation expenses	4,611,063	4,628,688
Amortization expenses	318,975	318,863
Expected credit loss recognized on trade receivables	638,694	543,918
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	256,468	240,993
Finance costs	894,326	1,163,645
Interest income	(807,847)	(1,085,263)
Dividend income	(740,325)	(786,481)
Share of profit of associates and joint ventures	(6,318,550)	(4,639,504)
Loss on disposal of property, plant and equipment	63,704	72,151
Loss on disposal of intangible assets	67,526	1,886
Impairment loss recognized on right-of-use assets	118,569	-
Gain on disposal of financial assets	(547,343)	(306,543)
Gain on disposal of investments accounted for using the equity method	-	(2,774)
Impairment loss recognized on investments accounted for using the equity method	231,725	-
Impairment loss recognized on property, plant and equipment	71,411	13,212
(Reversal) write-downs of inventories	(15,989)	8,690
Realized gain on transactions with associates	-	(3,997)
Unrealized loss (gain) on foreign exchange	163,737	(121,120)
Gain on changes in fair value of investment properties	(244,301)	(237,856)
Loss on disposal of subsidiaries	-	58,871
Gains on modification of lease	(645)	(8,743)
Changes in operating assets and liabilities		

Financial assets mandatorily classified as at fair value through profit or loss	(8,910,857)	(9,769,641)
Contract assets	(89,680)	(30,195)
Notes receivable	274,597	4,193,907
Trade receivables	(742,176)	1,548,211
Other receivables	42,103	(69,801)
Inventories	(2,241,819)	1,221,677
Prepayments	(912,282)	730,120
Other current assets	242,129	(44,399)
Financial liabilities held for trading	(678,950)	-
Contract liabilities	(66,680)	130,407
Accounts payable and accrued expenses	2,680,798	(614,462)
Provisions	135,329	41,722
Net defined benefit liabilities	(19,832)	(11,295)
Deferred revenue	<u>(75,912)</u>	<u>(75,912)</u>
Cash generated from operations	10,331,879	21,252,858
Interest received	801,759	1,021,397

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Dividends received	\$ 3,421,165	\$ 3,938,949
Interest paid	(899,538)	(1,106,774)
Income tax paid	<u>(5,058,557)</u>	<u>(5,482,574)</u>
Net cash generated from operating activities	<u>8,596,708</u>	<u>19,623,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(89,550)	(1,597,817)
Proceeds from sale of financial assets at fair value through other comprehensive income	710,289	909,341
Proceeds from financial assets at amortized cost	1,495,561	5,931,149
Acquisition of associates and joint ventures	(245,389)	(6)
Net cash inflow on disposal of associates	37,738	2,774
Increase in long-term prepayments for investments	(83,542)	(67,474)
Net cash outflow on disposal of subsidiaries	-	(2,857)
Proceeds from capital reduction of investments accounted for using the equity method	-	16,467
Payments for property, plant and equipment	(3,250,124)	(6,293,577)
Proceeds from disposal of property, plant and equipment	46,236	189,913
Increase in advance receipts for investments	-	150,000
Decrease in refundable deposits	12,406	69,924
Payments for intangible assets	(74,724)	(3,779,208)
Payments for right-of-use assets	(229,498)	(66,453)
Payments for investment properties	(3,035)	(2,343)
Increase in other non-current assets	-	(37)
Proceeds from disposal of right-of-use assets	<u>10,457</u>	<u>34,143</u>
Net cash used in investing activities	<u>(1,663,175)</u>	<u>(4,506,061)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase (decrease) in short-term borrowings	4,596,853	(4,390,372)
Increase (decrease) in short-term bills payable	14,006,500	(5,050,100)
Proceeds from issuance of bonds	6,300,000	28,800,000
Repayments of bonds	(3,000,000)	(3,000,000)
Proceeds from long-term borrowings	28,704,784	64,307,163
Repayments of long-term borrowings	(36,228,702)	(77,052,903)
Decrease in guarantee deposits received	(97,812)	(281,771)
Repayment of the principal portion of lease liabilities	(233,106)	(236,111)
(Decrease) increase in other non-current liabilities	(4,376)	7,043
Dividends paid	(11,933,944)	(10,084,585)
Acquisition of additional interests in subsidiaries	(1,838)	(5,391,054)
Dividends paid to non-controlling interests	<u>(1,142,544)</u>	<u>(1,646,335)</u>

Net cash generated from (used in) financing activities

965,815 (14,019,025)

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ <u>(360,462)</u>	\$ <u>77,467</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,538,886	1,176,237
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>25,911,732</u>	<u>24,735,495</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 33,450,618</u>	<u>\$ 25,911,732</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying financial statements of Asia Cement Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Corporation's financial statements for the year ended December 31, 2021 are described as follows:

Estimated Impairment of Trade Receivables in the Concrete Segment in Subsidiaries Accounted for
Using the Equity Method in Mainland China

With the PRC government's property market tightening regulations, the property development sector, of which the indirect and ultimate customers in the concrete segment of the Corporation's subsidiaries accounted for using the equity method in mainland China were a part, faced massive debt and cash flow issues. The management of the Corporation estimates the amount of lifetime expected credit losses (ECLs) of trade receivables based on a provision matrix through grouping of various debtors that have common risk characteristics, after considering the aging and repayment history of the respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in the concrete segment in subsidiaries accounted for using the equity method in mainland China as one of the key audit matters.

The corresponding audit procedures that we performed for the estimated impairment of the above trade receivables were as follows:

1. We obtained an understanding of the relevant key controls over the assessment and monitoring of credit risks, and determination of allowance for ECLs.
2. We evaluated the model used by management in determining the allowance for ECLs.
3. We tested the integrity of information used by management to develop the provision matrix, including the aging analysis of trade receivables in the concrete segment of subsidiaries accounted for using the equity method in mainland China as of balance sheet date, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents.
4. We challenged management's basis and judgment in determining the credit loss allowance on trade receivables in the concrete segment of subsidiaries accounted for using the equity method in mainland China as of the balance sheet date, including their identification and provision of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).
5. We obtained confirmations and evidence of subsequent settlements on a sample basis for trade receivable balances in the concrete segment of subsidiaries accounted for using the equity method in mainland China.

Fair Value Measurement of Investment Properties

The Corporation's investment properties are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers; refer to Notes 5 and 15 to the financial statements for the details. Because the valuation of investment properties involves significant judgments and uncertainties, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures that we performed for the fair value measurement of investment properties were as follows:

1. We assessed the professional competence and independence of the appraiser engaged by

management and obtained an understanding of the appraiser's scope of work and process of engagement to confirm that no circumstances affect the appraiser's independence and limit the scope of his work.

2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in the valuation.
3. We sample-tested items from management's supporting documents to verify the valuation process used by management and recalculated the fair value of investment properties to assess the reasonableness of management's calculation.

Other Matter

The financial statements of China Shanshui Cement Group Limited (CSCGL) as of December 31, 2021 and 2020, an associate accounted for using the equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2021 and 2020, the aggregate carrying amount of the equity-method investments in CSCGL was NT\$16,266,309 thousand and NT\$14,380,091 thousand, respectively, representing 7.1% and 6.7%, respectively, of the total assets. For the years ended December 31, 2021 and 2020, the share of profit or loss of CSCGL was NT\$1,954,372 thousand and NT\$2,146,187 thousand, respectively, representing 12.5% and 13.9%, respectively, of the profit before income tax.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of

China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest

benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tai, Xin Wei and Chen, Pei De.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

ASIA CEMENT CORPORATION

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 30)	\$ 5,271,395	2	\$ 4,228,490	2
Financial assets at fair value through profit or loss - current (Note 7)	1,906,273	1	1,939,437	1
Financial assets at fair value through other comprehensive income - current (Note 8)	2,004,820	1	1,899,303	1
Financial assets at amortized cost (Notes 6, 9 and 30)	6,016,855	3	1,038,147	-
Notes receivable				
Third parties	86,047	-	90,204	-
Trade receivables				
Third parties (Note 10)	344,232	-	432,838	-
Related parties (Notes 10 and 30)	563,021	-	517,239	-
Other receivables (Note 30)	106,223	-	96,468	-
Inventories (Note 11)	1,296,702	1	1,385,906	1
Prepayments (Note 30)	93,667	-	144,765	-
Other current assets	3,970	-	6,637	-
Total current assets	17,693,205	8	11,779,434	5
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 12, 30 and 31)	154,907,274	67	146,952,667	68
Financial assets at fair value through other comprehensive income - non-current (Note 8)	6,086,097	3	6,051,238	3
Property, plant and equipment (Notes 13, 30 and 31)	4,375,078	2	4,137,094	2
Right-of-use assets (Note 14)	374,548	-	477,318	-
Investment properties (Notes 15 and 31)	42,897,971	18	42,479,693	20
Intangible assets (Note 16)	3,309	-	3,171	-
Deferred tax assets (Note 25)	43,831	-	94,337	-
Other non-current assets (Notes 17, 21 and 30)	4,135,865	2	3,923,293	2
Total non-current assets	212,823,973	92	204,118,811	95
TOTAL	\$ 230,517,178	100	\$ 215,898,245	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 18)	\$ 14,017,168	6	\$ 2,199,722	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	-	-	425,693	-
Contract liabilities - current (Note 23)	87,050	-	89,566	-
Accounts payable and accrued expenses				
Third parties	1,979,885	1	1,717,146	1
Related parties (Note 30)	186,143	-	165,403	-
Dividends and bonuses payable	248,760	-	235,301	-
Current tax liabilities (Note 25)	98,252	-	326,235	-
Lease liabilities - current (Note 14)	23,310	-	76,819	-
Deferred revenue - current (Note 20)	75,912	-	75,912	-
Current portion of long-term liabilities (Note 19)	-	-	9,370,305	5
Total current liabilities	16,716,480	7	14,682,102	7
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	45,131,854	20	38,800,000	18
Long-term borrowings (Note 19)	950,000	1	3,950,000	2
Provisions - non-current	90,843	-	98,000	-
Deferred tax liabilities (Note 25)	9,934,900	4	9,733,184	5
Lease liabilities - non-current (Note 14)	41,319	-	64,629	-
Deferred revenue - non-current (Note 20)	696,069	-	771,981	-
Other non-current liabilities	28,790	-	29,790	-
Total non-current liabilities	56,873,775	25	53,447,584	25
Total liabilities	73,590,255	32	68,129,686	32
EQUITY (Note 22)				
Ordinary shares	35,455,721	15	33,614,472	15
Capital surplus	5,986,339	3	1,492,584	1
Retained earnings				
Legal reserve	19,783,405	9	18,473,057	9
Special reserve	66,476,869	29	65,267,773	30
Unappropriated earnings	28,739,477	12	27,842,666	13
Total retained earnings	114,999,751	50	111,583,496	52
Other equity	485,112	-	1,078,007	-
Total equity	156,926,923	68	147,768,559	68
TOTAL	\$ 230,517,178	100	\$ 215,898,245	100

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 9,134,245	100	\$ 8,991,169	100
OPERATING COSTS (Notes 11, 24 and 30)	<u>7,798,581</u>	<u>85</u>	<u>7,927,392</u>	<u>88</u>
GROSS PROFIT	1,335,664	15	1,063,777	12
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(812)</u>	<u>-</u>	<u>(2,479)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,334,852</u>	<u>15</u>	<u>1,061,298</u>	<u>12</u>
OPERATING EXPENSES				
Administrative expenses (Notes 24 and 30)	639,345	7	554,056	6
Expected credit gain (Note 10)	<u>(1,129)</u>	<u>-</u>	<u>(3,386)</u>	<u>-</u>
Total operating expenses	<u>638,216</u>	<u>7</u>	<u>550,670</u>	<u>6</u>
OPERATING INCOME	<u>696,636</u>	<u>8</u>	<u>510,628</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	178,031	2	241,043	3
Other income (Note 24)	422,096	4	484,912	5
Other gains and losses (Note 24)	(514,986)	(6)	(299,831)	(3)
Finance costs (Note 24)	(393,005)	(4)	(365,013)	(4)
Share of profit of subsidiaries and associates	<u>15,221,784</u>	<u>167</u>	<u>14,891,791</u>	<u>165</u>
Total non-operating income and expenses	<u>14,913,920</u>	<u>163</u>	<u>14,952,902</u>	<u>166</u>
PROFIT BEFORE INCOME TAX	15,610,556	171	15,463,530	172
INCOME TAX EXPENSE (Note 25)	<u>542,335</u>	<u>6</u>	<u>753,044</u>	<u>9</u>
NET INCOME FOR THE YEAR	<u>15,068,221</u>	<u>165</u>	<u>14,710,486</u>	<u>163</u>
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	135,036	1	(875,729)	(10)
Remeasurement of defined benefit plans	153,653	2	(42,895)	-
Share of other comprehensive income (loss) of subsidiaries and associates	<u>741,179</u>	<u>8</u>	<u>(372,105)</u>	<u>(4)</u>
	<u>1,029,868</u>	<u>11</u>	<u>(1,290,729)</u>	<u>(14)</u>

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive loss of subsidiaries and associates	\$ (1,339,475)	(14)	\$ (164,177)	(2)
Other comprehensive loss for the year, net of income tax	(309,607)	(3)	(1,454,906)	(16)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 14,758,614</u>	<u>162</u>	<u>\$ 13,255,580</u>	<u>147</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 4.70</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 4.57</u>		<u>\$ 4.41</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

ASIA CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Other Equity											
	Share Capital Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Cash Flow Hedges	Total	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2020	3,361,447	\$ 33,614,472	\$ 1,456,054	\$ 16,727,089	\$ 64,463,426	\$ 27,373,840	\$ (5,913,201)	\$ 7,908,323	\$ 385,214	\$ 52,141	\$ 2,432,477	\$ 146,067,358
Appropriation of 2019 earnings												
Legal reserve	-	-	-	1,745,968	-	(1,745,968)	-	-	-	-	-	-
Special reserve	-	-	-	-	804,347	(804,347)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,084,341)	-	-	-	-	-	(10,084,341)
Net profit for the year ended December 31, 2020	-	-	-	-	-	14,710,486	-	-	-	-	-	14,710,486
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(103,026)	(195,754)	(1,491,574)	331,756	3,692	(1,351,880)	(1,454,906)
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	36,112	-	-	-	-	-	-	-	-	36,112
Actual acquisition of interests in subsidiaries	-	-	418	-	-	(1,424,920)	-	-	-	-	-	(1,424,502)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(20,704)	-	-	-	-	-	(20,704)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	2,590	-	(2,590)	-	-	(2,590)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(60,944)	-	-	-	-	-	(60,944)
BALANCE AT DECEMBER 31, 2020	3,361,447	33,614,472	1,492,584	18,473,057	65,267,773	27,842,666	(6,108,955)	6,414,159	716,970	55,833	1,078,007	147,768,559
Appropriation of 2020 earnings												
Legal reserve	-	-	-	1,310,348	-	(1,310,348)	-	-	-	-	-	-
Special reserve	-	-	-	-	1,209,096	(1,209,096)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,933,138)	-	-	-	-	-	(11,933,138)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	251,158	(1,302,920)	545,523	194,724	1,908	(560,765)	(309,607)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)
BALANCE AT DECEMBER 31, 2021	<u>3,545,572</u>	<u>\$ 35,455,721</u>	<u>\$ 5,986,339</u>	<u>\$ 19,783,405</u>	<u>\$ 66,476,869</u>	<u>\$ 28,739,477</u>	<u>\$ (7,411,875)</u>	<u>\$ 6,928,068</u>	<u>\$ 911,178</u>	<u>\$ 57,741</u>	<u>\$ 485,112</u>	<u>\$ 156,926,923</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 15,610,556	\$ 15,463,530
Adjustments for:		
Depreciation expenses	406,329	476,738
Amortization expenses	2,061	2,155
Expected credit loss reversed on trade receivables	(1,129)	(3,386)
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	232,113	64,714
Finance costs	393,005	365,013
Interest income	(178,031)	(241,043)
Dividend income	(319,016)	(316,139)
Share of profit of subsidiaries and associates	(15,221,784)	(14,891,791)
Loss (gain) on disposal of property, plant and equipment	60	(509)
Unrealized gain on transactions with subsidiaries and associates	812	2,479
Unrealized loss on foreign exchange	219,910	89,606
Gain on changes in fair value of investment properties	(413,800)	(363,140)
Changes in operating assets and liabilities:		
Notes receivable	4,157	(9,570)
Trade receivables	39,236	(1,550)
Other receivables	(16,537)	(25,096)
Inventories	66,127	156,566
Prepayments	51,098	(99,184)
Other current assets	2,667	(403)
Financial liabilities held for trading	(678,950)	-
Net defined benefit assets	(39,965)	(37,541)
Contract liabilities	(2,516)	5,840
Accounts payable and accrued expenses	233,214	129,525
Provisions	(7,157)	-
Deferred revenue	(75,912)	(75,912)
Cash generated from operations	306,548	690,902
Interest received	184,813	245,536
Dividends received	6,983,669	6,780,804
Interest paid	(333,491)	(210,025)
Income tax paid	(556,509)	(562,772)
Net cash generated from operating activities	<u>6,585,030</u>	<u>6,944,445</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(5,340)	-
Purchase of financial assets at amortized cost	(5,051,701)	-
Proceeds from sale of financial assets at amortized cost	-	695,706
Payments for property, plant and equipment	(464,390)	(253,796)
Proceeds from disposal of property, plant and equipment	33	525
Decrease in refundable deposits	19,459	567,920

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Payments for intangible assets	\$ (1,140)	\$ (369)
Payments for investment properties	<u>(3,245)</u>	<u>(2,343)</u>
Net cash (used in) generated from investing activities	<u>(5,506,324)</u>	<u>1,007,643</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bills payable	11,820,000	(8,560,000)
Proceeds from issuance of bonds	6,300,000	28,800,000
Repayments of bonds	(3,000,000)	(3,000,000)
Proceeds from long-term borrowings	9,640,000	4,643,000
Repayments of long-term borrowings	(12,640,000)	(12,488,000)
Decrease in guarantee deposits received	(1,000)	-
Repayment of the principal portion of lease liabilities	(76,819)	(82,282)
Dividends paid	(11,933,944)	(10,084,585)
Acquisition of additional interests in subsidiaries	<u>(1,838)</u>	<u>(5,390,490)</u>
Net cash generated from (used in) financing activities	<u>106,399</u>	<u>(6,162,357)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(142,200)</u>	<u>(36,980)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,042,905	1,752,751
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,228,490</u>	<u>2,475,739</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,271,395</u>	<u>\$ 4,228,490</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022) (Concluded)

※ The Company and its affiliates have not experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the printing date of the annual report.

VII Analysis of Financial Status, Operating Result, and Risk Management

7.1 Analysis of Financial Status

UNIT: NT\$1,000

Item \ Year	2020	2021	Variance	
			Amount	%
Current Assets	87,023,947	105,955,718	18,931,771	22
Property, Plant and Equipment	52,820,212	41,431,732	(11,388,480)	(22)
Intangible Assets	7,254,262	6,969,037	(285,225)	(4)
Other Assets	149,988,434	162,699,582	12,711,148	8
Total Assets	297,086,855	317,056,069	19,969,214	7
Current Liabilities	64,027,610	71,082,366	7,054,756	11
Non-Current Liabilities	63,172,293	65,700,817	2,528,524	4
Total Liabilities	127,199,903	136,783,183	9,583,280	8
Equity Attributable To Owners Of The Corporation	147,768,559	156,926,923	9,158,364	6
Share Capital	33,614,472	35,455,721	1,841,249	5
Capital Surplus	1,492,584	5,986,339	4,493,755	301
Retained Earnings	111,583,496	114,999,751	3,416,255	3
Other Equity	1,078,007	485,112	(592,895)	(55)
Non-Controlling Interests	22,118,393	23,345,963	1,227,570	6
Total Equity	169,886,952	180,272,886	10,385,934	6
Analysis of deviation over 20%:				
1. The increase of current assets was mainly due to the increase of financial assets at fair value through profit or loss and cash and cash equivalents.				
2. The decrease of property, plant and equipment was mainly due to reclassify to finance lease receivable after Chiahui Power phase II commercial operation.				
3. The increase of capital surplus was mainly due to the conversion of the 3rd Euro convertible bond.				
4. The decrease of other equity was mainly due to the increase of exchange losses on translating of the financial statements of foreign operations and unrealized gains from financial assets at fair value through other comprehensive income.				

7.2 Analysis of Financial Performance

UNIT: NT\$1,000

Item \ Year	2020	2021	Variance	
			Amount	%
Operating Revenue	78,240,880	89,654,713	11,413,833	15
Operating Costs	54,911,404	68,473,835	13,562,431	25
Gross Profit	23,329,476	21,180,878	(2,148,598)	(9)
Operating Expenses	3,659,338	3,494,661	(164,677)	(5)
Profit From Operations	19,670,138	17,686,217	(1,983,921)	(10)
Non-operating Income And Expenses	4,473,745	4,247,696	(226,049)	(5)
Income Before Income Tax	24,143,883	21,933,913	(2,209,970)	(9)
Income Tax Expense	5,370,076	4,406,143	(963,933)	(18)
Net Profit For The Year	18,773,807	17,527,770	(1,246,037)	(7)
Other Comprehensive Income , Net	(1,189,331)	(396,550)	792,781	(67)
Total Comprehensive Income For The Year	17,584,476	17,131,220	(453,256)	(3)
Net Profit Attributable To Owner Of The Company	14,710,486	15,068,221	357,735	2
Net Profit Attributable To Non-Controlling Interests	4,063,321	2,459,549	(1,603,772)	(39)
Total Comprehensive Income Attributable To Owner Of The Company	13,255,580	14,758,614	1,503,034	11
Total Comprehensive Income Attributable To Non-Controlling Interests	4,328,896	2,372,606	(1,956,290)	(45)
1. Analysis of deviation over 20%: (1).The increase of operating costs was mainly due to the obviously increase of coal cost in mainland China in 2021. (2).The increase of net other comprehensive income were mainly due to the increase of unrealized gain on financial assets at fair value through other comprehensive income and share of the other comprehensive income of associates and joint ventures and exchange losses on translating the financial statements of foreign operations in 2021. (3).The decrease of net profit and total comprehensive income attributable to non-controlling interests were mainly due to the profit decrease of business in mainland China and acquisition of non-controlling interests of Chiahui Power. 2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan: Please refer to the "Letter to Shareholders".				

7.3 Analysis of Cash Flow

(1) The Analysis for Changing of Cash Flow for 2021

Unit: NT\$1,000

Cash Balance in the Beginning	Net Cash Inflows from Operating Activities	Total Cash Outflows	The Cash Surplus	Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
25,911,732	8,596,708	1,057,822	33,450,618	-	-

1. Operating Activities: Mainly generated from operations NT\$10,331,879 thousand 、dividends received NT\$3,421,165 thousand and income taxes paid NT\$5,058,557 thousand.
2. Investing Activities: Mostly for net increase in property, plant and equipment NT\$3,203,888 thousand and net decrease in financial assets NT\$2,116,300 thousand.
3. Financing Activities: Mostly for net increase in short-term and long-term loans NT\$14,379,435 thousand 、cash dividends paid NT\$11,933,944 thousand and net decrease in non-controlling interests NT\$1,142,544 thousand.

(2) Remedy plans for insufficient liquidity for 2021 : Not Applicable.

(3) Liquidity Analysis for the Coming Year

Unit: NT\$1,000

Cash Balance in the Beginning	Expected Net Cash Inflows from Operating Activities	Expected Total Cash Outflows	Expected Cash Surplus	Expected Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
33,450,618	23,928,397	20,171,563	37,207,452	-	-

1. Operating Activities: Mainly from operating income and cash dividends received.
2. Investing Activities: Primarily for investment in capital expenditures.
3. Financing activities: Mostly for net decrease in short-term and long-term loans and payout of cash dividends.

7.4 Impacts of Major Capital Expenditures on Finance and Operation

7.4.1 Major Capital Expenditures and Funding Sources

UNIT: NT\$1,000

Projects	Actual or Expected Source of Capital	Actual or Expected Date of Completion	Total Capital	Capital Expenditures				
				Actual		Expected		
				2018~2020	2021	2022	2023	2024
CHIAHUI POWER natural gas fueled combined cycle power plant (Phase II Expansion)	Syndicated loan	Jul. 2021	10,402,644	8,829,778	1,380,212	192,654	-	-
SICHUAN LANFENG long conveyor belt mechanical construction for limestone delivery	Self-owned capital and Syndicated loan	Dec. 2024	2,294,662	251	3,484	738,886	775,722	776,319

7.4.2 Expected Benefit to Finance and Operation from the Major Capital Expenditure

1. After the completion of the natural gas fueled combined cycle power plant (Phase II Expansion) of CHIAHUI POWER, it will increase the stable profit every year.
2. The benefit of building the limestone long conveyor belt construction of SICHUAN LANFENG will make the materials freight cost down.

7.5 Investment Strategies in the Most Recent Year, the Major Reasons for its Gain or Loss and Improvement Plan and Investment Plans for Next Year

The majority of the company's investments were for long-term strategic purposes. In 2021, the total gain through equity method by the company was NT \$6,318,550 thousand (on consolidated basis). In the future, the company will continue to focus on strategic purposes through prudent assessment.

7.6 Analysis and Evaluation of Risk Management

7.6.1 The Impact of Fluctuation of Foreign Exchange, Interest Rates, and Inflation on the Company's Profit and Loss and Its Countermeasures

※Foreign exchange impact:

The percentage of foreign exchange gains/losses over operating revenue and operating income in 2021 are as follows:

Unit : NT\$1,000

Item \ Year	2021
Foreign Exchange Gains (Losses) (A)	(161,955)
Operating Revenue (B)	89,654,713
% of Operating Revenue (A)/(B)	(0.2%)
Operating Income (C)	17,686,217
% of Operating Income (A)/(C)	(0.9%)

Foreign exchange rate fluctuates constantly because of the variation in market demand and supply. Thus, the risk of foreign exchange may occur to the Company by means of various trading. For the Company, most of the procurements of raw materials were disbursed in USD; foreign sales were collected in USD. Currently, the revenue mostly equals to the disbursement, which led to the effect of natural hedge, minimizing the impact of fluctuation of foreign exchange on the Company's profit and loss.

Besides natural hedge, in order to minimize the risk of foreign exchange, the Company and subsidiaries had adopted such risk management policies against the uncertainty.

1. Monitoring the impact to foreign exchange rate from global macro-economic change and building up a necessary hedge mechanism.
2. Planning future's demand for currencies and establishing the foreign currency position from relatively lower level to reduce overall cost. Convert weak currencies to strong currencies.

※Interest rate impact:

The percentage of interest revenue/losses over operating revenue and operating income in 2021 are as follows:

Unit : NT\$1,000

Item \ Year	2021
Interest Revenue (Losses) (A)	(86,479)
Operating Revenue (B)	89,654,713
% of Operating Revenue (A)/(B)	(0.1%)
Operating Income (C)	17,686,217
% of Operating Income (A)/(C)	(0.5%)

If market interest rates had been 0.01% higher/lower, the group's pretax profit for the year ended December 31, 2021 would have increased/decreased by NT\$884 thousand, mainly due to the Group's exposure to interest rates on its floating-rate bank borrowings and bank deposits' interest revenue and expenses.

The Company primarily utilizes short-term bank loans and issues long-term debt instruments to finance its short, mid, and long term funding demands.

According to the terms and conditions of agreements entered with banks, short-term bank loan, subject to floating interest rate basis, can be utilized in revolving method within the duration of the agreements. Since the Company has been maintaining stable status operationally and financially, it is capable of obtaining relatively lower interest rate with aggressive negotiations with banks. Besides, the duration of utilizing short-term loan is less than one year. In a whole, the impact of the fluctuation of interest rates on the Company's short-term loans is limited. In order to minimize the risk of interest rate, the Company and subsidiaries had adopted such risk management policies against the uncertainty:

The Company mainly issues long-term and fixed interest rate debt instruments to lock relatively lower funding cost, which can reduce interest expense and impact of interest fluctuation, spare banks' credit lines for temporary funding demand, replenish working capital, and improve financial structure to comply with the principle for long-term sustainable operation.

※Inflation rate impact:

Taiwan inflation rate was about 1.96% in 2021. This inflation rate did not have substantial

effect on the Company's operation and profit. In order to minimize the risk of inflation rate, the Company and subsidiaries maintained stable and long-term cooperative relationships with our major suppliers.

7.6.2 The Impact of Highly Risky Investments, Highly Leveraged Transaction, Loaning to Others, Endorsement and Guarantee for Others, and Derivatives

The Company has no highly risky and highly leveraged investments or loaning to others.

The Company provided endorsement and guarantee for its subsidiaries according to "Procedures for Endorsement and Guarantee". Its balance was NT\$59,565,805,038 and NT\$54,644,930,038 by the end of 2021 and the end of March 2022 respectively. Based on conservative operating policy, the operations of its subsidiaries bring considerable income to the Company. Besides that, the Company supervises its subsidiaries regularly and controls related risks.

The financial transactions with "derivative" nature which the Company entered into were strictly for hedging purposes and not for any trading or speculative purposes. To control various types of financial trading risks, the Company has established internal policies and procedures based on sound financial and business practices, and in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau. The Company entered into USD/TWD CCS transactions and all the contracts were written off in September 2021, so its balance was NT\$0 by the end of 2021. The Company has no other financial transactions with "derivative" nature by the end of March 2022.

7.6.3 The Prevention of Legal Risks

In view of current company's operations, in addition to compliance with laws and regulations, there are many different areas involved in the legal norms, such as dealing with other companies, government agency, stakeholders, employees, and other foreign-related cases. Preventing legal risks shall be the first priority in today's business operators

In response to this situation, the Company asks those who majored in law to be in charge of the Secretarial Department. Besides, the Company teaches and requires every employee to comply with every regulation in daily operations. The Company also cooperates with the Group's legal department to handle labor, general affairs, sales, factory management, taxation and other issues. Lawyers and accountants would be consulted if necessary. These could ensure legal risks reduced to maintain the Company's interests.

◎R&D project and estimated expenditures in the future:

Unit: NT\$1,000

Item	Amount
Map control and delivery system update project of all storage and transportation stations in Taiwan	11,470
Development of Hypergravity Carbon Capture Technology	10,000
LC ³ Low Carbon Cement Development	5,000
Development of alternative fuel crushing technology	20,000
Total	46,470

- ◎Effect on the Company's finance and operation from any changes in major policies and laws at home and abroad in the most recent fiscal year: None.
- ◎Effect on the Company's finance and operation due to the technological improvement (including information security risks) and the change of industrial environment in the most recent fiscal year: None.
- ◎Events influencing the Company's corporate image in the most recent fiscal year: None.
- ◎Merger or acquisition plan in the most recent fiscal year: None.
- ◎Plan of expanding capacity in the most recent fiscal year: None.
- ◎Supply and sale of the Company in the most recent fiscal year: Normal and steady.
- ◎Large volume shares transferred or changed by directors, supervisors, or shareholders with more than 10% shareholdings in the most recent fiscal year: None.
- ◎Change of the Company's management in the most recent fiscal year: None.
- ◎Litigation, non-litigation incidents or administrative disputes of directors, supervisors, president, shareholders with more than 10% shareholdings, or subsidiaries which could materially affect shareholders' equity or the prices of the Company's securities: None.
- ◎Other major risks: None.

7.7 Other Mentionable Issues : None.

8.1 Organizational Chart of Affiliated Companies



8.2 Basic Information of Affiliated Companies

Currency: NT\$ (except otherwise specified)

Unit: \$1,000

As of December 31, 2021

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU MING TRANSPORTATION CO., LTD. Address: 23F., No.16-1, Xinzhan Rd., Banqiao Dist., New Taipei City	Feb. 1980	295,695	Transportation
YUAN LONG STAINLESS STEEL CORP. Address: No.28, Daye S. Rd., Xiaogang Dist., Kaohsiung City	Dec. 2005	2,000,000	Stainless steel
SUNRISE INDUSTRIAL HOLDINGS LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Apr. 1996	USD 90	Investment
NAN HWA CEMENT CORP. Address: No.90, Sec. 2, Linkong. Rd., Longchin Dist., Taichung City	Nov. 1969	261,440	Cement, Blast- Furnace Slag, Limestone Slag
ASIA ENGINEERING ENTERPRISE CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Nov. 1982	81,144	Engineering
ASIA CEMENT (CHINA) HOLDINGS CO. Address: Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies	Apr. 2004	HKD 156,685	Investment
ASIA CEMENT (SINGAPORE) PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1964	SGD 10,500	Cement
DER CHING INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Dec. 1988	6,998,676	Investment
YA LI TRANSPORTATION CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Oct. 1980	100,000	Transportation
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP. Address: No.3, Sec. 2, Jiayuan Rd., Shulin Dist., New Taipei City	Nov. 1990	193,776	Cement products
YA TUNG READY-MIXED CONCRETE CORP. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Jan. 1999	2,000,000	Ready-mixed concrete, Cement products
ASIA INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Oct. 1998	3,227,290	Investment
CHIAHUI POWER CORP. Address: No.688, Songzijiao, Minxiong Township, Chiayi County	Apr. 1996	5,700,000	Power plant
FU DA TRANSPORTATION CO., LTD. Address: 23F., No.16-1, Xinzhan Rd., Banqiao Dist., New Taipei City	Feb. 1989	379,819	Transportation
PERFECT INDUSTRIAL HOLDINGS PTE. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	May. 1997	USD 9,720	Investment
ORIENTAL CONCRETE PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Oct. 1980	SGD 17,000	Ready-mixed concrete, Leasing

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU SHAN MINERAL STONE CO., LTD. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Dec. 1970	13,000	Mining excavation, mineral processing and sales
KOWLOON CEMENT CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Sep. 1986	HKD 23,000	Cement
AC MEGA INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Nov. 2010	USD 27,800	Investment
AC LEAP INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Nov. 2010	USD 28,500	Investment
AC MEGA II INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 19,300	Investment
AC MEGA III INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 19,300	Investment
AC MEGA IV INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 26,200	Investment
YA LI PRECAST CONCRETE INDIA PVT. LTD. Address: 7/241,2nd Floor, Sunder Vihar, Paschim Vihar, New Delhi-110087	Jun. 2007	INR 16,000	Cement products
ASIA ORIENTAL (GUAM) L.L.C Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Aug. 2010	USD 10,000	Investment
YATUNG VIETNAM CO. LTD. Address: Supporting Industrial Zone, Vung Ang Economic Zone, Ky Phuong Ward, Ky Anh town, Ha Tinh Province, Viet Nam	Feb. 2010	VND 141,348,502	Ready-mixed concrete
YA SING READY-MIXED CONCRETE CORP. Address: 1F,No.274, Sec. 3, Dongda Rd., Hsinchu City	Apr. 2000	100,000	Ready-mixed concrete
ASIA CEMENT EXPLORER INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Aug. 2008	USD 20,215	Investment
ASIA CEMENT PIONEER INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Aug. 2008	USD 68,550	Investment
ASIA CEMENT PIONEER II INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 27,800	Investment

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
ASIA CEMENT PIONEER III INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 19,300	Investment
ASIA CEMENT PIONEER IV INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 19,110	Investment
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1995	USD 288,847	Investment
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	May. 1994	USD 837,744	Investment
KOWLOON CONCRETE CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Mar. 1992	HKD 10	Ready-mixed concrete, Barges
JOIN FORTUNE TRADING LTD Address: 263 MAIN STREET, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	Jul. 2012	USD 2,427	Investment
ASIA ORIENTAL CONCRETE,LLC Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Mar. 2011	USD 11,600	Ready-mixed concrete, Cement products
JIANGXI YADONG CEMENT CO., LTD. Address: No.6, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Oct. 1997	USD 356,104	Cement, Clinker, Blast-Furnace Slag, Cement products
HUANGGANG YADONG CEMENT CO., LTD. Address: 5 Tiyu Avenue,Huangzhou Zone , Huanggang City, Hubei Province, China	Aug. 2006	USD 86,170	Cement, Clinker, Blast-Furnace Slag, Cement products
WUHAN YADONG CEMENT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, China	Nov. 1999	USD 36,140	Cement Grinding, Blast-Furnace Slag
ORIENTAL HOLDINGS CO., LTD. Address: Room 305A,No 2875,South Yanggao Rd, Pudong New Area, Shanghai	Jul. 2003	USD 204,191	Investment
CHENGDU YALI CEMENT PRODUCTS CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Dec. 2004	USD 4,100	Ready-mixed concrete, Cement products
SHANGHAI YALI CEMENT PRODUCTS CO., LTD. Address: Room 908 9F Biulding 22-23 No.4100 Longwu Road Minhang District Shanghai China	Nov. 1995	USD 15,000	Ready-mixed concrete, Cement products
SICHUAN YALI CONCRETE PRODUCE CO., LTD. Address: No.268,Three Passage,Wenquan Road Wenjiang District,Chendu City,Sichuan,China	Nov. 2005	USD 3,300	Ready-mixed concrete, Cement products
SICHUAN YALI TRANSPORT CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	May. 2006	USD 3,500	Transportation
YANGZHOU YADONG CEMENT CO., LTD. Address: No.7 Gudu Road BaliTown, Yangzhou Economic Development Zone Yangzhou City Jiangsu Province China	Jul. 2006	USD 35,530	Cement Grinding, Blast-Furnace Slag, Ready-mixed concrete, Cement products

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
SICHUAN YADONG CEMENT CO., LTD. Address: No.66 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2004	USD 368,340	Cement, Clinker, Blast-Furnace Slag, Cement products
HUBEI YADONG CEMENT CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Jun. 2005	USD 154,800	Cement, Clinker, Blast-Furnace Slag, Cement products
RUICHANG YADONG NEW MATERIAL CO., LTD. Address: No.6, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Jan. 2019	RMB 2,000	construction material and product
NANCHANG YALI CONCRETE PRODUCE LTD. Address: 1-3F Multifunction Building Bashuihu Industries Zone Nanchang ETDZ Jiangxi Province	Dec. 2003	RMB 60,000	Ready-mixed concrete, Cement products
JIANGXI YALI TRANSPORT CO., LTD. Address: No.8, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Apr. 2005	RMB 12,500	Transportation
NANCHANG YADONG CEMENT CO., LTD. Address: Industrial 2nd Rd, Changdong Industrial Park, Nanchang Jiangxi, China	Jan. 2004	RMB 90,000	Cement Grinding, Blast-Furnace Slag
WUHAN YALI CEMENT PRODUCTS CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang Went Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Dec. 2007	RMB 60,000	Ready-mixed concrete, Cement products
TAIZHOU YADONG BUILDING MATERIAL CO., LTD. Address: No. 1, Yucai Rd Yong anzhou Town, Gaogang District, Thaizhou, Jiangsu Province, China	Sep. 2013	USD 16,000	Cement warehousing and wholesale
SICHUAN LANFENG BUILDING MATERIALS CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2010	RMB 20,000	Cement products, Construction
SICHUAN LANFENG CEMENT CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Sep. 2008	RMB 600,000	Cement, Clinker, Blast-Furnace Slag, Cement products
HUBEI YALI TRANSPORT CO., LTD. Address: No.201 Yushidun Cihui office, Dongxihu District Wuhan, Hubei Province, China	Oct. 2006	RMB 13,000	Transportation
WUHAN YAXIN CEMENT CO., LTD. Address: No. 12 Zhiwu Road Jiangjun mountain, Zhifang Street, Jiangxia District, Wuhan, Hubei Province, China	Aug. 2003	RMB 90,000	Cement, Clinker, Blast-Furnace Slag, Cement products

8.3 Main Business of Affiliated Companies

Please Refer to Above List.

8.4 Information of the Directors, Supervisors, and Presidents of Affiliated Companies

As of December 31, 2021

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
FU MING TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (ACC Representative)	29,553,934	99.95
	Director / President	W.T. Hsu (ACC Representative)	29,553,934	99.95
	Director	K.Y. Lee (ACC Representative)	29,553,934	99.95
	Director	G.Y. Tai (ACC Representative)	29,553,934	99.95
	Director	C.M. Chen (ACC Representative)	29,553,934	99.95
	Director	C.H. Chung (ACC Representative)	29,553,934	99.95
	Director	R.K. Tsai (ACC Representative)	29,553,934	99.95
	Supervisor	T.L. Yu (Asia Investment Corp. Representative)	5,000	0.02
	Supervisor	Humphrey Cheng (Asia Investment Corp. Representative)	5,000	0.02
YUAN LONG STAINLESS STEEL CORP.	Chairman	K.Y. Lee (ACC Representative)	200,000,000	100.00
	Director / President	F.H. Li (ACC Representative)	200,000,000	100.00
	Director	Peter Hsu (ACC Representative)	200,000,000	100.00
	Director	C.F. Cheng (ACC Representative)	200,000,000	100.00
	Director	C.M. Chen (ACC Representative)	200,000,000	100.00
	Supervisor	Doris Wu (ACC Representative)	200,000,000	100.00
	Supervisor	T.M. Chen (ACC Representative)	200,000,000	100.00
SUNRISE INDUSTRIAL HOLDINGS LTD.	Director	Douglas Tong Hsu (ACC Representative)	90,000	100.00
	Director	Peter Hsu (ACC Representative)	90,000	100.00
	Director	K.Y. Lee (ACC Representative)	90,000	100.00
	Director	R.H. Shao (ACC Representative)	90,000	100.00
	Director	Doris Wu (ACC Representative)	90,000	100.00
NAN HWA CEMENT CORP.	Chairman	Z.P. Chang (ACC Representative)	26,138,828	99.98
	President	C.H. Chung		
	Director	Peter Hsu (ACC Representative)	26,138,828	99.98
	Director	Doris Wu (ACC Representative)	26,138,828	99.98
	Director	T.M. Chen (ACC Representative)	26,138,828	99.98
	Director	C.H. Chen (ACC Representative)	26,138,828	99.98
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.02
ASIA ENGINEERING ENTERPRISE CORP.	Chairman	Doris Wu (ACC Representative)	8,093,680	99.74
	Director / President	Z.P. Chang (ACC Representative)	8,093,680	99.74
	Director	Peter Hsu	1,000	0.01
	Director	M.C. Yang (ACC Representative)	8,093,680	99.74
	Director	C.H. Chen (ACC Representative)	8,093,680	99.74
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	6,000	0.07
ASIA CEMENT (CHINA) HOLDINGS CO.	Chairman / Non-Executive Director	Douglas Tong Hsu	3,000,000	0.19
	Vice Chairman / Executive Director	Peter Hsu	200,000	0.01
	Executive Director	T.H. Chang	219,500	0.01
	Executive Director	Doris Wu	50,000	0.00

	Executive Director	Z.L. Wu	230,000	0.01
	Executive Director	C.K. Chang	713,000	0.04
	Executive Director	S.J. Lin	488,000	0.03
	Independent Non - Executive Director	D.L. Zhan	0	0.00
	Independent Non - Executive Director	K.C. Lee	0	0.00
	Independent Non - Executive Director	K.M. Wang	0	0.00
	Independent Non - Executive Director	Wei Wang	0	0.00
ASIA CEMENT (SINGAPORE) PTE. LTD.	Chairman / Managing Director	Douglas Tong Hsu (ACC Representative)	10,499,432	99.99
	Vice Managing Director	J.H. Lin (ACC Representative)	10,499,432	99.99
	Director	Peter Hsu (ACC Representative)	10,499,432	99.99
	Director	K.Y. Lee (ACC Representative)	10,499,432	99.99
	Director	Doris Wu (ACC Representative)	10,499,432	99.99
	Director	Gary Lee (ACC Representative)	10,499,432	99.99
DER CHING INVESTMENT CORP.	Chairman	Peter Hsu (ACC Representative)	699,853,425	99.99
	Director	Doris Wu (ACC Representative)	699,853,425	99.99
	Director	T.M. Chen (ACC Representative)	699,853,425	99.99
	Director	H.Y. Kao (ACC Representative)	699,853,425	99.99
	Director	H.T. Peng (ACC Representative)	699,853,425	99.99
	Supervisor	Karen Yang (Asia Investment Corp. Representative)	6,346	0.00
YA LI TRANSPORTATION CORP.	Chairman	Z.P. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director / President	K.M. Fu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	C.H. Chung (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	C.H. Chen (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	W.T. Hsu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Supervisor	Dana Lee (ACC Representative)	5,160,754	51.61
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	Chairman	C.F. Cheng (ACC Representative)	16,264,709	83.94
	Director	Peter Hsu (ACC Representative)	16,264,709	83.94
	Director	Lin Kuo (ACC Representative)	16,264,709	83.94
	Director	T.L. Yu (ACC Representative)	16,264,709	83.94
	Director	C.H. Chen (ACC Representative)	16,264,709	83.94
	Supervisor	Dana Lee (FEGC Representative)	3,105,647	16.03
YA TUNG READY-MIXED CONCRETE CORP.	Chairman	K.Y. Lee (ACC Representative)	199,991,832	99.99
	President	C.R. Jin	0	0.00
	Director	Peter Hsu (ACC Representative)	199,991,832	99.99
	Director	Y.F. Chang (ACC Representative)	199,991,832	99.99
	Director	W.K. Chou (ACC Representative)	199,991,832	99.99
	Director	C.M. Chen (ACC Representative)	199,991,832	99.99
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	7,268	0.00
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	7,268	0.00
ASIA INVESTMENT CORP.	Chairman	Peter Hsu (ACC Representative)	322,729,001	100.00
	Director	Doris Wu (ACC Representative)	322,729,001	100.00
	Director	H.T. Peng (ACC Representative)	322,729,001	100.00
	Director	H.Y. Kao (ACC Representative)	322,729,001	100.00

	Director	T.M. Chen (ACC Representative)	322,729,001	100.00
	Supervisor	Karen Yang (ACC Representative)	322,729,001	100.00
CHIAHUI POWER CORP.	Chairman	Douglas Tong Hsu (ACC Representative)	568,307,076	99.70
	President	G.T. Chen	0	0.00
	Director	Peter Hsu (ACC Representative)	568,307,076	99.70
	Director	K.Y. Lee (ACC Representative)	568,307,076	99.70
	Director	Doris Wu (ACC Representative)	568,307,076	99.70
	Director	T.L. Yu (ACC Representative)	568,307,076	99.70
	Independent Director	M.Z. Jiang	0	0
	Supervisor	C.H. Chung (Asia Investment Corp. Representative)	45,568	0.01
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	45,568	0.01
FU DA TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (Fu Ming Transportation Co., Ltd. Representative)	37,959,570	99.94
	Director / President	W.T. Hsu (Fu Ming Transportation Co., Ltd. Representative)	37,959,570	99.94
	Director	K.Y. Lee (Fu Ming Transportation Co., Ltd. Representative)	37,959,570	99.94
	Director	Y.F. Chang (Fu Ming Transportation Co., Ltd. Representative)	37,959,570	99.94
	Director	Y.S. Yu (Fu Ming Transportation Co., Ltd. Representative)	37,959,570	99.94
	Director	Humphrey Cheng (Fu Ming Transportation Co., Ltd. Representative)	37,959,570	99.94
	Supervisor	R.K. Tsai (Asia Investment Corp. Representative)	9,717	0.03
	Supervisor	C.M. Shi (Asia Investment Corp. Representative)	9,717	0.03
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	Director	Douglas Tong Hsu	0	0.00
	Director	Doris Wu	0	0.00
ORIENTAL CONCRETE PTE. LTD.	Chairman	Douglas Tong Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director / Managing Director	J.H. Lin (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	Peter Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	K.Y. Lee (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	Gary Lee (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
FU SHAN MINERAL STONE CO., LTD.	Chairman	Doris Wu (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director / President	Z.P. Chang (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	Peter Hsu (Der Ching Investment Corp. Representative)	1,294,270	99.56

	Director	C.M. Chen (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	S.L. You (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.38
KOWLOON CEMENT CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Johnny Shih	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Peter Hsu	0	0.00
	Director	Doris Wu	0	0.00
	Director	Gary Lee	0	0.00
AC MEGA INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	27,800,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	27,800,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	27,800,000	100.00
AC LEAP INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	28,500,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	28,500,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	28,500,000	100.00
AC MEGA II INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,300,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,300,000	100.00
	Director	H.Y. Kao Doris Wu (Der Ching Investment Corp. Representative)	19,300,000	100.00
AC MEGA III INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,300,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,300,000	100.00
	Director	H.Y. Kao Doris Wu (Der Ching Investment Corp. Representative)	19,300,000	100.00
AC MEGA IV INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	26,200,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	26,200,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	26,200,000	100.00
YA LI PRECAST CONCRETE INDIA PVT. LTD.	Chairman	X.M. He (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	W.H. Yeh (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	H.Y. Kao	*INR	99.99

		(Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	1,599,990	
	Director	Gary Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	H.C. Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
ASIA ORIENTAL (GUAM) L.L.C	Manager	C.R. Jin	0	0.00
YATUNG VIETNAM CO. LTD.	Manager	C.Y. Chen	0	0.00
YA SING READY-MIXED CONCRETE CORP.	Chairman	C.R. Jin (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director / President	Z.G. He (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	C.H. Chung (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	S.J. Yang (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	W.S. Tsai (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	J.F. Tsai (Nan Kung Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Director	T.Y. Huang (Chu Chiang Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Supervisor	F.C. Wu (Ho Hwei Enterprise Corp.Ltd. Representative)	500,000	5.00
	Supervisor	W.K. Chou (Asia Investment Corp. Representative)	5,000	0.05
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	5,000	0.05
ASIA CEMENT EXPLORER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	20,215,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	20,215,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	20,215,000	100.00
ASIA CEMENT PIONEER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	68,550,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	68,550,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	68,550,000	100.00
ASIA CEMENT PIONEER II INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	27,800,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	27,800,000	100.00

	Director	H.Y. Kao (Asia Investment Corp. Representative)	27,800,000	100.00
ASIA CEMENT PIONEER III INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	19,300,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	19,300,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	19,300,000	100.00
ASIA CEMENT PIONEER IV INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	19,110,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	19,110,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	19,110,000	100.00
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Peter Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Doris Wu	0	0.00
	Director	Soon Heng Leong	0	0.00
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Peter Hsu	0	0.00
	Director	Doris Wu	0	0.00
	Director	Soon Heng Leong	0	0.00
	Director	J.H. Lin	0	0.00
KOWLOON CONCRETE CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Peter Hsu	0	0.00
	Director	Doris Wu	0	0.00
	Director	Gary Lee	0	0.00
JOIN FORTUNE TRADING LTD	Manager	Gary Lee	0	0.00
ASIA ORIENTAL CONCRETE,LLC	Manager	C.R. Jin	0	0.00
JIANGXI YADONG CEMENT CO., LTD.	Chairman	Z.L. Wu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	President	J.B. Yu	*USD 0	0.00
	Director	H. He (Oriental Holdings Co., Ltd. Representative)	*USD 35,610	10.00
	Director	Ping Shen (Jiangxi Provincial Investment Group Corp. Representative)	*USD 17,805	5.00
	Supervisor	C.H. He (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
HUANGGANG YADONG CEMENT CO., LTD.	Chairman	L. Tian (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	President	H. He	*USD 0	0.00
	Director	L.M. Ou Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	S.S. Wu (Oriental Holdings Co., Ltd. Representative)	*USD 8,617	10.00

	Supervisor	Michael Ting (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
WUHAN YADONG CEMENT CO., LTD.	Chairman	J.B. Yu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	President	J.F. Jiang	*USD 0	0.00
	Director	H.Q. Zhang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	G Chen (Oriental Holdings Co., Ltd. Representative)	*USD 3,614	10.00
	Supervisor	W.Y. Liu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
ORIENTAL HOLDINGS CO., LTD.	Chairman / President	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
	Director	Dana Lee (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
	Director	Karen Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
	Supervisor	J.H. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
CHENGDU YALI CEMENT PRODUCTS CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	President	Y.M. Zhang	*USD 0	0.00
	Director	G.W. Ciou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	Director	L.J. Zeng (Oriental Holdings Co., Ltd. Representative)	*USD 2,000	48.78
	Supervisor	Y. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	Chairman	L. Tian (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	President	B.H. Lu	*USD 0	0.00
	Director	Y.G. Zhang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Director	X.W. Xiao (Oriental Holdings Co., Ltd. Representative)	*USD 1,500	10.00
	Supervisor	R.F. Huang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00

SICHUAN YALI CONCRETE PRODUCE CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	President	Y.M. Zhang	*USD 0	0.00
	Director	Y.H. Lu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	X.T. Kao (Oriental Holdings Co., Ltd. Representative)	*USD 330	10.00
	Supervisor	Q.P. Zhou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
SICHUAN YALI TRANSPORT CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	President	Y.H. Lu	*USD 0	0.00
	Director	G.C. Wang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	C.H. Xiang (Oriental Holdings Co., Ltd. Representative)	*USD 350	10.00
	Supervisor	H.B. Feng (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
YANGZHOU YADONG CEMENT CO., LTD.	Chairman	L. Tian (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	President	B.H..Lu	*USD 0	0.00
	Director	Y.T. Li (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	T.M. Jiang (Oriental Holdings Co., Ltd. Representative)	*USD 3,553	10.00
	Supervisor	J. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
SICHUAN YADONG CEMENT CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	President	L. Tian	*USD 0	0.00
	Director	C.L Lu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	H.C Wang (Oriental Holdings Co., Ltd. Representative)	*USD 36,834	10.00
	Supervisor	N.B. GAN (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
HUBEI YADONG CEMENT CO., LTD.	Chairman	J.B. Yu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	President	W.F. Hsu	*USD 0	0.00

	Director	L.C Guo (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	Z.Y Jing (Oriental Holdings Co., Ltd. Representative)	*USD 15,480	10.00
	Supervisor	W.B. Du (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
Ruichang Yadong New Material Co., Ltd.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100.00
	President	J.B. Yu	*RMB 0	0
	Director	W.T. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100
	Director	W.Y. Wang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100
	Supervisor	B. Dai (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100
NANCHANG YALI CONCRETE PRODUCE LTD.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
NANCHANG YALI CONCRETE PRODUCE LTD.	President	Y.J. Lin	*RMB 0	0.00
	Director	Y.M. Dai (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	J.X. Li (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	S.P. Hu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
JIANGXI YALI TRANSPORT CO., LTD.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,500	52.00
	President	X.W. Xiao	*RMB 0	0.00
	Director	S.H Wang (Oriental Holdings Co., Ltd. Representative)	*RMB 6,000	48.00
	Director	D.L. Hsu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,500	52.00
	Supervisor	K.X. Li (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,500	52.00
NANCHANG YADONG CEMENT CO., LTD.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	President	W.T. Zhang	*RMB 0	0.00
	Director	Y.G. Yao (Oriental Holdings Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	T.Y. Jhang (Fangda Special Steel Technology Co., Ltd. Representative)	*RMB 22,500	25.00

	Supervisor	D.B. Wang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
WUHAN YALI CEMENT PRODUCTS CO., LTD.	Chairman	J.B. Yu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	President	X.L. Yu	*RMB 0	0.00
	Director	A.C. Hsu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	L.P. Jhu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	J.F. Jiang (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	Chairman	L. Tian (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	President	B.H.Lu	*USD 0	0.00
	Director	G.J. Shen (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Director	D.M. Yi (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Supervisor	M. Zhang (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	Chairman	W.F. Hsu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	President	Y.M. Zhang	*RMB 0	0.00
	Director	J.S. Lee (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	C. Liu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Supervisor	Y.P. Xie (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
SICHUAN LANFENG CEMENT CO., LTD.	Chairman	W.F. Hsu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	President	Y.M. Zhang	*RMB 0	0.00
	Director	J.S. Lee (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	C. Liu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Supervisor	Y.P. Xie (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
HUBEI YALI TRANSPORT CO., LTD.	Chairman	J.B. Yu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00

	President	H.Q. Zhang	*RMB 0	0.00
	Director	Z.H. Ye (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	B.Y. Zhao (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Supervisor	S.Y. Cheng (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
WUHAN YAXIN CEMENT CO., LTD.	Chairman	J.B. Yu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	President	C.H. He	*RMB 0	0.00
	Director	X.L. Yu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	Z.F. Ke (M.G. Dai/J.H. Jhou/Z.J. Cheng Representative)	*RMB 9,000	10.00
	Supervisor	J.S. Shen (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00

The above companies marked with the “” sign are not incorporated companies. Therefore the shareholding are shown in capital (Unit: INR, USD, VND and RMB \$1,000) instead of shown in numbers of shares.

8.5 Operating Condition of Affiliated Companies

Unit: NT\$1,000

Book closure date: 31 December 2021

No.	Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
1	FU MING TRANSPORTATION CO., LTD.	295,695	1,997,893	425,165	1,572,728	1,146,874	144,843	307,096	10.39
2	YUAN LONG STAINLESS STEEL CORP.	2,000,000	5,343,836	3,200,245	2,143,591	6,224,892	421,044	359,381	1.80
3	SUNRISE INDUSTRIAL HOLDINGS LTD.	2,909	123,003	70,497	52,506	0	(90)	(1,121)	(12.46)
4	NAN HWA CEMENT CORP.	261,440	706,059	386,079	319,980	466,213	53,403	56,926	2.18
5	ASIA ENGINEERING ENTERPRISE CORP.	81,144	435,385	251,431	183,954	55,620	8,274	60,392	7.44
6	ASIA CEMENT (CHINA) HOLDINGS CO.	634,911	88,474,174	14,006,810	74,467,364	0	(173,416)	7,671,037	4.90
7	ASIA CEMENT (SINGAPORE) PTE. LTD.	152,250	5,464,167	274,353	5,189,814	956,907	32,616	574,930	54.76
8	DER CHING INVESTMENT CORP.	6,998,676	25,963,433	11,105,739	14,857,694	541,384	512,715	1,124,160	1.61
9	YA LI TRANSPORTATION CORP.	100,000	533,218	47,830	485,388	337,856	10,974	58,328	5.83
10	YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	193,776	430,722	283,471	147,251	427,819	44,996	43,563	2.25
11	YA TUNG READY-MIXED CONCRETE CORP.	2,000,000	6,333,474	2,875,326	3,458,148	11,532,632	1,472,793	1,226,966	6.13
12	ASIA INVESTMENT CORP.	3,227,290	15,985,238	11,094,688	4,890,550	396,190	394,591	891,548	2.76
13	CHIAHUI POWER CORP.	5,700,000	21,608,081	11,221,091	10,386,990	8,421,918	1,499,097	1,046,477	1.84
14	FU DA TRANSPORTATION CO., LTD.	379,819	1,246,274	336,955	909,319	931,112	136,809	146,757	3.86
15	PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	268,551	85,073,853	1,803,785	83,270,068	0	(98)	8,178,776	841.48
16	ORIENTAL CONCRETE PTE. LTD.	346,290	245,121	289	244,832	10,692	4,401	3,596	0.21
17	FU SHAN MINERAL STONE CO.,LTD.	13,000	89,577	73,646	15,931	1,052	(5,428)	(5,744)	(4.42)
18	KOWLOON CEMENT CORP. LTD.	93,150	904,794	794	904,000	17,165	3,345	23,511	10.22
19	AC MEGA INVESTMENT LTD.	810,269	1,480,211	553,256	926,955	0	(178)	75,476	2.71
20	AC LEAP INVESTMENT LTD.	831,172	1,593,884	553,256	1,040,628	0	(178)	88,895	3.12
21	AC MEGA II INVESTMENT LTD.	546,917	1,178,568	553,321	625,247	0	(175)	38,448	1.99
22	AC MEGA III INVESTMENT LTD.	546,917	1,229,465	553,307	676,158	0	(175)	44,022	2.28

No.	Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
23	AC MEGA IV INVESTMENT LTD.	762,554	1,633,877	553,321	1,080,556	0	(175)	93,334	3.56
24	YA LI PRECAST CONCRETE INDIA PVT. LTD.	8,338	4,364	2,667	1,697	0	0	0	Note 1
25	ASIA ORIENTAL (GUAM) L.L.C	303,056	(19,394)	0	(19,394)	0	0	(11,542)	Note 1
26	YATUNG VIETNAM CO., LTD.	201,823	321,664	39,515	282,149	102,619	1,602	6,204	Note 1
27	YA SING READY-MIXED CONCRETE CORP.	100,000	473,476	237,281	236,195	1,239,611	148,319	111,603	11.16
28	ASIA CEMENT EXPLORER INVESTMENT LTD.	582,543	1,274,071	829,866	444,205	0	(203)	15,650	0.77
29	ASIA CEMENT PIONEER INVESTMENT LTD.	2,072,420	3,249,338	607,135	2,642,203	3,563	3,380	278,535	4.06
30	ASIA CEMENT PIONEER II INVESTMENT LTD.	807,911	1,626,200	553,256	1,072,944	0	(178)	92,138	3.31
31	ASIA CEMENT PIONEER III INVESTMENT LTD.	553,917	1,428,891	829,980	598,911	0	(195)	34,685	1.80
32	ASIA CEMENT PIONEER IV INVESTMENT LTD.	553,910	1,368,033	691,512	676,521	0	(195)	45,171	2.36
33	ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	7,980,840	26,039,336	1,055,863	24,983,473	0	(2,865)	3,667,174	11.06
34	ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	23,155,150	59,210,557	940,890	58,269,667	0	(2,942)	4,511,917	6.44
35	KOWLOON CONCRETE CORP. LTD.	35	168,526	55	168,471	2,504	526	17,204	1,720.40
36	JOIN FORTUNE TRADING LTD.	67,066	5,253	1,073	4,180	0	(98)	889	0.37
37	ASIA ORINTAL CONCRETE,LLC	320,508	24,363	67,196	(42,833)	2,423	(16,278)	(16,278)	Note 1
38	JIANGXI YADONG CEMENT CO., LTD.	9,839,154	35,462,403	7,189,892	28,272,511	22,472,077	5,974,579	4,438,822	Note 1
39	HUANGGANG YADONG CEMENT CO., LTD.	2,380,877	6,952,571	639,223	6,313,348	3,862,463	1,151,092	722,411	Note 1
40	WUHAN YADONG CEMENT CO., LTD.	998,548	2,866,006	195,212	2,670,794	1,224,726	65,378	(61,667)	Note 1
41	ORIENTAL HOLDINGS CO., LTD.	5,641,797	14,710,564	8,716	14,701,848	0	(643)	700,203	Note 1
42	CHENGDU YA LI CEMENT PRODUCTS CO., LTD.	113,283	419,236	78,174	341,062	386,687	10,361	18,359	Note 1
43	SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	414,450	188,409	133,537	54,872	39,807	11,427	9,175	Note 1
44	SICHUAN YALI CONCRETE PRODUCE CO., LTD.	91,179	401,220	323,872	77,348	288,022	105,937	64,425	Note 1
45	SICHUAN YALI TRANSPORT CO., LTD.	96,705	224,986	24,596	200,390	315,663	(3,723)	591	Note 1
46	YANGZHOU YADONG CEMENT CO., LTD.	981,694	2,600,727	714,703	1,886,024	3,339,707	316,087	210,071	Note 1

No.	Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
47	SICHUAN YADONG CEMENT CO., LTD.	10,177,234	28,089,171	3,140,931	24,948,240	9,637,846	2,417,210	2,910,328	Note 1
48	HUBEI YADONG CEMENT CO., LTD.	4,277,124	11,479,430	606,019	10,873,411	6,823,597	456,341	462,707	Note 1
49	RUICHANG YADONG NEW MATERIAL CO., LTD.	8,667	584,000	103,257	480,743	826,946	601,706	452,524	Note 1
50	NANCHANG YALI CONCRETE PRODUCE LTD.	260,018	863,337	227,679	635,658	629,628	84,902	(92,385)	Note 1
51	JIANGXI YALI TRANSPORT CO., LTD.	54,171	202,994	41,382	161,612	331,286	26,973	19,419	Note 1
52	NANCHANG YADONG CEMENT CO., LTD.	390,028	756,913	56,375	700,538	1,005,273	51,018	5,856	Note 1
53	WUHAN YALI CEMENT PRODUCTS CO., LTD.	260,018	310,140	34,674	275,466	161,795	(184,028)	(146,519)	Note 1
54	TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	442,080	1,023,420	532,370	491,050	1,636,181	106,512	65,077	Note 1
55	SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	86,673	48,153	153,129	(104,976)	0	(1,631)	(7,364)	Note 1
56	SICHUAN LANFENG CEMENT CO., LTD.	2,600,184	8,197,386	472,929	7,724,457	5,845,466	999,257	858,065	Note 1
57	HUBEI YALI TRANSPORT CO., LTD.	56,337	93,355	13,817	79,538	107,893	(2,424)	(2,455)	Note 1
58	WUHAN YAXIN CEMENT CORP. LTD.	390,028	1,806,912	210,487	1,596,425	1,680,472	74,322	87,537	Note 1

Note 1: The subsidiaries in China or overseas are limited liability companies; therefore it's not able to count earnings per share.

Note 2: The data in Balance Sheet are converted according to the exchange rate at the end of 2021 (USD : 27.63 ; SGD : 20.37 ; RMB : 4.33364 ; HKD : 3.519 ; INR : 0.37202 ; VND : 0.001194); the data in Income Statement are converted according to the 2021 average exchange rate (USD : 28.009 ; SGD : 20.85333 ; RMB : 4.34426 ; HKD : 3.60325 ; INR : 0.37746 ; VND : 0.001209).

◎**Consolidated Financial Reports:** Please read section 6.4 for details.

◎**Relationship Report:** Not applicable.

◎**Private placement:** None.

◎**The shares held or disposed by subsidiaries in the most recent fiscal year and the current fiscal year up to the date of printing of the annual report:** None.

◎**In the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, any event which has a material impact on shareholders' equity or securities prices:**
Please refer to the Note in consolidated financial report.

◎**Any other matters listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the company's securities, occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report:** None.



亞洲水泥

ASIA CEMENT CORPORATION

Asia Cement Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

ASIA CEMENT CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 8, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Asia Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 are described as follows:

Estimated Impairment of Trade Receivables in the Concrete Segment in Mainland China

With the PRC government's property market tightening regulations, the property development sector, of which the indirect and ultimate customers of the Group's concrete segment in mainland China were a part, faced massive debt and cash flow issues. The management of the Group estimates the amount of lifetime expected credit losses (ECLs) of trade receivables based on a provision matrix through grouping of various debtors that have common risk characteristics, after considering the aging and repayment history of the respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information; refer to Notes 5 and 10 to the consolidated financial statements for the details. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in the concrete segment in mainland China as one of the key audit matters.

The corresponding audit procedures that we performed for the estimated impairment of the above trade receivables were as follows:

1. We obtained an understanding of the relevant key controls over the assessment and monitoring of credit risks, and determination of allowance for ECLs.
2. We evaluated the model used by management in determining the allowance for ECLs.
3. We tested the integrity of information used by management to develop the provision matrix, including the aging analysis of trade receivables in the concrete segment in mainland China as of the balance sheet date, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents.
4. We challenged management's basis and judgment in determining the credit loss allowance on trade receivables in the concrete segment in mainland China as of the balance sheet date, including their identification and provision of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).
5. We obtained confirmations and evidence of subsequent settlements on a sample basis for trade receivable balances in the concrete segment in mainland China.

Fair Value Measurement of Investment Properties

Investment properties of Asia Cement Corporation are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers; refer to Notes 5 and 17 to the consolidated financial statements for the details. Because the valuation of investment properties involves significant judgments and uncertainties, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures that we performed for the fair value measurement of investment properties were as follows:

1. We assessed the professional competence and independence of the appraiser engaged by management and obtained an understanding of the appraiser's scope of work and process of engagement to confirm that no circumstances affect the appraiser's independence and limit the scope of his work.
2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in the valuation.
3. We sample-tested items from management's supporting documents to verify the valuation process used by management and recalculated the fair value of investment properties to assess the reasonableness of management's calculation.

Other Matter

The financial statements of China Shanshui Cement Group Limited (CSCGL) as of December 31, 2021 and 2020, an associate accounted for using the equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2021 and 2020, the aggregate carrying amount of the equity-method investments in CSCGL was NT\$16,266,895 thousand and NT\$14,380,609 thousand, respectively, representing 5.1% and 4.8% of the consolidated total assets. For the years ended December 31, 2021 and 2020, the share of profit or loss of CSCGL was NT\$1,954,442 thousand and NT\$2,146,467 thousand, respectively, both representing 8.9% of the consolidated profit before income tax.

We have also audited the parent company only financial statements of Asia Cement Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tai, Xin Wei and Chen, Pei De.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 35)	\$ 33,450,618	10	\$ 25,911,732	9
Financial assets at fair value through profit or loss - current (Note 7)	24,229,761	8	14,864,809	5
Financial assets at fair value through other comprehensive income - current (Notes 8 and 36)	3,902,921	1	4,252,727	2
Financial assets at amortized cost - current (Notes 6, 9, 35 and 36)	14,755,328	5	16,575,640	6
Contract assets - current (Notes 28 and 35)	188,287	-	98,607	-
Notes receivable				
Third parties	6,744,079	2	7,046,851	2
Trade receivables				
Third parties (Notes 10 and 11)	10,314,291	3	8,850,968	3
Related parties (Notes 10 and 35)	666,721	-	650,797	-
Other receivables (Note 35)	568,283	-	580,809	-
Current tax assets (Note 30)	73,780	-	9,434	-
Inventories (Note 12)	8,813,309	3	6,596,268	2
Prepayments (Note 35)	1,907,635	1	1,050,301	-
Other current assets (Note 20)	340,705	-	535,004	-
Total current assets	105,955,718	33	87,023,947	29
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 14, 35 and 36)	88,108,186	28	84,873,235	29
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 36)	11,132,674	4	11,127,995	4
Financial assets at amortized cost - non-current (Notes 6, 9, 35 and 36)	60,619	-	52,778	-
Property, plant and equipment (Notes 15 and 36)	41,431,732	13	52,820,212	18
Right-of-use assets (Notes 16 and 35)	4,756,164	2	4,938,963	2
Investment properties (Notes 17 and 36)	36,843,630	12	36,589,248	12
Intangible assets (Notes 18 and 19)	6,969,037	2	7,254,262	2
Deferred tax assets (Note 30)	891,351	-	690,705	-
Finance lease receivables - non-current (Note 11)	16,304,836	5	7,392,214	3
Other non-current assets (Notes 20 ,26 and 35)	4,602,122	1	4,323,296	1
Total non-current assets	211,100,351	67	210,062,908	71
TOTAL	\$ 317,056,069	100	\$ 297,086,855	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 35)	\$ 23,699,570	7	\$ 19,214,889	7
Short-term bills payable (Note 22)	27,887,081	9	13,881,948	5
Financial liabilities at fair value through profit or loss - current (Notes 7 and 35)	-	-	425,693	-
Contract liabilities - current (Note 28)	1,046,223	-	1,117,842	-
Accounts payable and accrued expenses				
Third parties (Note 19)	12,237,120	4	9,316,509	3
Related parties (Note 35)	265,249	-	247,171	-
Dividends and bonuses payable	251,819	-	238,361	-
Other payables - others	40,281	-	139,378	-
Current tax liabilities (Note 30)	2,414,410	1	2,954,930	1
Provisions - current (Note 25)	74,782	-	52,000	-
Lease liabilities - current (Notes 16 and 35)	187,274	-	222,101	-
Deferred revenue - current (Note 24)	75,912	-	75,912	-
Current portion of long-term liabilities (Notes 23 and 35)	2,902,645	1	16,140,876	6
Total current liabilities	71,082,366	22	64,027,610	22
NON-CURRENT LIABILITIES				
Bonds payable (Note 23)	45,131,854	14	38,800,000	13
Long-term borrowings (Notes 23 and 35)	7,050,329	2	10,944,833	4
Provisions - non-current (Notes 20, 25 and 37)	1,027,756	1	915,754	-
Deferred tax liabilities (Note 30)	10,297,825	3	10,115,317	4
Lease liabilities - non-current (Notes 16 and 35)	1,084,452	1	1,158,824	-
Deferred revenue - non-current (Note 24)	696,069	-	771,981	-
Net defined benefit liabilities - non-current (Note 26)	130,949	-	173,189	-
Other non-current liabilities	281,583	-	292,395	-
Total non-current liabilities	65,700,817	21	63,172,293	21
Total liabilities	136,783,183	43	127,199,903	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 27)				
Share capital	35,455,721	11	33,614,472	11
Capital surplus	5,986,339	2	1,492,584	1
Retained earnings				
Legal reserve	19,783,405	7	18,473,057	6
Special reserve	66,476,869	21	65,267,773	22
Unappropriated earnings	28,739,477	9	27,842,666	10
Total retained earnings	114,999,751	37	111,583,496	38
Other equity	485,112	-	1,078,007	-
Total equity attributable to owners of the Corporation	156,926,923	50	147,768,559	50
NON-CONTROLLING INTERESTS (Notes 27 and 32)	23,345,963	7	22,118,393	7
Total equity	180,272,886	57	169,886,952	57
TOTAL	\$ 317,056,069	100	\$ 297,086,855	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 28 and 35)	\$ 89,654,713	100	\$ 78,240,880	100
OPERATING COSTS (Notes 12, 29 and 35)	<u>68,473,835</u>	<u>77</u>	<u>54,911,404</u>	<u>70</u>
GROSS PROFIT	21,180,878	23	23,329,476	30
OPERATING EXPENSES				
Administrative expenses (Notes 29 and 35)	2,855,967	3	3,115,420	4
Expected credit loss (Note 10)	<u>638,694</u>	<u>1</u>	<u>543,918</u>	<u>1</u>
Total operating expenses	<u>3,494,661</u>	<u>4</u>	<u>3,659,338</u>	<u>5</u>
OPERATING INCOME	<u>17,686,217</u>	<u>19</u>	<u>19,670,138</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	807,847	1	1,085,263	1
Other income (Note 29)	674,520	1	999,556	1
Other gains and losses (Note 29)	(2,658,895)	(3)	(1,086,933)	(1)
Finance costs (Note 29)	(894,326)	(1)	(1,163,645)	(1)
Share of profit of associates and joint ventures	<u>6,318,550</u>	<u>7</u>	<u>4,639,504</u>	<u>6</u>
Total non-operating income and expenses	<u>4,247,696</u>	<u>5</u>	<u>4,473,745</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	21,933,913	24	24,143,883	31
INCOME TAX EXPENSE (Note 30)	<u>4,406,143</u>	<u>5</u>	<u>5,370,076</u>	<u>7</u>
NET INCOME FOR THE YEAR	<u>17,527,770</u>	<u>19</u>	<u>18,773,807</u>	<u>24</u>
OTHER COMPREHENSIVE LOSS, NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	180,387	-	(64,126)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	275,617	-	(978,258)	(1)
Share of other comprehensive income (loss) of associates and joint ventures	<u>623,962</u>	<u>1</u>	<u>(254,143)</u>	<u>(1)</u>
	<u>1,079,966</u>	<u>1</u>	<u>(1,296,527)</u>	<u>(2)</u>

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (536,043)	-	\$ 885,825	1
Share of other comprehensive loss of associates and joint ventures	<u>(940,473)</u>	<u>(1)</u>	<u>(778,629)</u>	<u>(1)</u>
	<u>(1,476,516)</u>	<u>(1)</u>	<u>107,196</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(396,550)</u>	<u>-</u>	<u>(1,189,331)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,131,220</u>	<u>19</u>	<u>\$ 17,584,476</u>	<u>22</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 15,068,221	17	\$ 14,710,486	19
Non-controlling interests	<u>2,459,549</u>	<u>3</u>	<u>4,063,321</u>	<u>5</u>
	<u>\$ 17,527,770</u>	<u>20</u>	<u>\$ 18,773,807</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 14,758,614	16	\$ 13,255,580	17
Non-controlling interests	<u>2,372,606</u>	<u>3</u>	<u>4,328,896</u>	<u>5</u>
	<u>\$ 17,131,220</u>	<u>19</u>	<u>\$ 17,584,476</u>	<u>22</u>
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 4.70</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 4.57</u>		<u>\$ 4.41</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation													
							Other Equity							
	Share Capital Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Cash Flow Hedges	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2020	3,361,447	\$ 33,614,472	\$ 1,456,054	\$ 16,727,089	\$ 64,463,426	\$ 27,373,840	\$ (5,913,201)	\$ 7,908,323	\$ 385,214	\$ 52,141	\$ 2,432,477	\$ 146,067,358	\$ 23,381,680	\$ 169,449,038
Appropriation of 2019 earnings														
Legal reserve	-	-	-	1,745,968	-	(1,745,968)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	804,347	(804,347)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,084,341)	-	-	-	-	-	(10,084,341)	-	(10,084,341)
Net profit for the year ended December 31, 2020	-	-	-	-	-	14,710,486	-	-	-	-	-	14,710,486	4,063,321	18,773,807
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(103,026)	(195,754)	(1,491,574)	331,756	3,692	(1,351,880)	(1,454,906)	265,575	(1,189,331)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	36,112	-	-	-	-	-	-	-	-	36,112	-	36,112
Actual acquisition of interests in subsidiaries	-	-	418	-	-	(1,424,920)	-	-	-	-	-	(1,424,502)	(3,966,552)	(5,391,054)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(20,704)	-	-	-	-	-	(20,704)	20,704	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,646,335)	(1,646,335)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	2,590	-	(2,590)	-	-	(2,590)	-	-	-
Other changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(60,944)	-	-	-	-	-	(60,944)	-	(60,944)
BALANCE AT DECEMBER 31, 2020	3,361,447	33,614,472	1,492,584	18,473,057	65,267,773	27,842,666	(6,108,955)	6,414,159	716,970	55,833	1,078,007	147,768,559	22,118,393	169,886,952
Appropriation of 2020 earnings														
Legal reserve	-	-	-	1,310,348	-	(1,310,348)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	1,209,096	(1,209,096)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,933,138)	-	-	-	-	-	(11,933,138)	-	(11,933,138)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221	2,459,549	17,527,770
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	251,158	(1,302,920)	545,523	194,724	1,908	(560,765)	(309,607)	(86,943)	(396,550)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142	-	6,338,142
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661	(2,499)	(1,838)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,142,544)	(1,142,544)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-	-	-
Other changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)	7	(2,095)
BALANCE AT DECEMBER 31, 2021	<u>3,545,572</u>	<u>\$ 35,455,721</u>	<u>\$ 5,986,339</u>	<u>\$ 19,783,405</u>	<u>\$ 66,476,869</u>	<u>\$ 28,739,477</u>	<u>\$ (7,411,875)</u>	<u>\$ 6,928,068</u>	<u>\$ 911,178</u>	<u>\$ 57,741</u>	<u>\$ 485,112</u>	<u>\$ 156,926,923</u>	<u>\$ 23,345,963</u>	<u>\$ 180,272,886</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 21,933,913	\$ 24,143,883
Adjustments for:		
Depreciation expenses	4,611,063	4,628,688
Amortization expenses	318,975	318,863
Expected credit loss recognized on trade receivables	638,694	543,918
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	256,468	240,993
Finance costs	894,326	1,163,645
Interest income	(807,847)	(1,085,263)
Dividend income	(740,325)	(786,481)
Share of profit of associates and joint ventures	(6,318,550)	(4,639,504)
Loss on disposal of property, plant and equipment	63,704	72,151
Loss on disposal of intangible assets	67,526	1,886
Impairment loss recognized on right-of-use assets	118,569	-
Gain on disposal of financial assets	(547,343)	(306,543)
Gain on disposal of investments accounted for using the equity method	-	(2,774)
Impairment loss recognized on investments accounted for using the equity method	231,725	-
Impairment loss recognized on property, plant and equipment	71,411	13,212
(Reversal) write-downs of inventories	(15,989)	8,690
Realized gain on transactions with associates	-	(3,997)
Unrealized loss (gain) on foreign exchange	163,737	(121,120)
Gain on changes in fair value of investment properties	(244,301)	(237,856)
Loss on disposal of subsidiaries	-	58,871
Gains on modification of lease	(645)	(8,743)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(8,910,857)	(9,769,641)
Contract assets	(89,680)	(30,195)
Notes receivable	274,597	4,193,907
Trade receivables	(742,176)	1,548,211
Other receivables	42,103	(69,801)
Inventories	(2,241,819)	1,221,677
Prepayments	(912,282)	730,120
Other current assets	242,129	(44,399)
Financial liabilities held for trading	(678,950)	-
Contract liabilities	(66,680)	130,407
Accounts payable and accrued expenses	2,680,798	(614,462)
Provisions	135,329	41,722
Net defined benefit liabilities	(19,832)	(11,295)
Deferred revenue	(75,912)	(75,912)
Cash generated from operations	10,331,879	21,252,858
Interest received	801,759	1,021,397

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Dividends received	\$ 3,421,165	\$ 3,938,949
Interest paid	(899,538)	(1,106,774)
Income tax paid	<u>(5,058,557)</u>	<u>(5,482,574)</u>
Net cash generated from operating activities	<u>8,596,708</u>	<u>19,623,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(89,550)	(1,597,817)
Proceeds from sale of financial assets at fair value through other comprehensive income	710,289	909,341
Proceeds from financial assets at amortized cost	1,495,561	5,931,149
Acquisition of associates and joint ventures	(245,389)	(6)
Net cash inflow on disposal of associates	37,738	2,774
Increase in long-term prepayments for investments	(83,542)	(67,474)
Net cash outflow on disposal of subsidiaries	-	(2,857)
Proceeds from capital reduction of investments accounted for using the equity method	-	16,467
Payments for property, plant and equipment	(3,250,124)	(6,293,577)
Proceeds from disposal of property, plant and equipment	46,236	189,913
Increase in advance receipts for investments	-	150,000
Decrease in refundable deposits	12,406	69,924
Payments for intangible assets	(74,724)	(3,779,208)
Payments for right-of-use assets	(229,498)	(66,453)
Payments for investment properties	(3,035)	(2,343)
Increase in other non-current assets	-	(37)
Proceeds from disposal of right-of-use assets	<u>10,457</u>	<u>34,143</u>
Net cash used in investing activities	<u>(1,663,175)</u>	<u>(4,506,061)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	4,596,853	(4,390,372)
Increase (decrease) in short-term bills payable	14,006,500	(5,050,100)
Proceeds from issuance of bonds	6,300,000	28,800,000
Repayments of bonds	(3,000,000)	(3,000,000)
Proceeds from long-term borrowings	28,704,784	64,307,163
Repayments of long-term borrowings	(36,228,702)	(77,052,903)
Decrease in guarantee deposits received	(97,812)	(281,771)
Repayment of the principal portion of lease liabilities	(233,106)	(236,111)
(Decrease) increase in other non-current liabilities	(4,376)	7,043
Dividends paid	(11,933,944)	(10,084,585)
Acquisition of additional interests in subsidiaries	(1,838)	(5,391,054)
Dividends paid to non-controlling interests	<u>(1,142,544)</u>	<u>(1,646,335)</u>
Net cash generated from (used in) financing activities	<u>965,815</u>	<u>(14,019,025)</u>

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ <u>(360,462)</u>	\$ <u>77,467</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,538,886	1,176,237
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>25,911,732</u>	<u>24,735,495</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 33,450,618</u>	<u>\$ 25,911,732</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Asia Cement Corporation (the “Corporation”) was incorporated in March 1957. It manufactures and sells cement, clinker, cement-related products and ready-mixed concrete, and engages in leasing activities. The Corporation is also required to undertake reforestation activities in designated areas. The Corporation’s shares have been listed on the Taiwan Stock Exchange since June 1962.

In June 1992 and September 1996, certain shares of the Corporation were sold by Far Eastern New Century Corporation (FENC) in the form of global depositary shares (GDSs). Such GDSs have been quoted through the SEAQ system of the London Stock Exchange and traded through the portal system of the National Association of Securities Dealers, Inc.

On March 25, 2021, in order to reduce the related management costs, the Corporation’s board of directors resolved to terminate the GDSs program and to delist from the London Stock Exchange.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and authorized for issue on March 8, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

Amendment to IFRS 16 “Covid-19 - Related Rent Concessions beyond June 30, 2021”

The Group elected to apply the amendment that extends the availability of the practical expedient to lease payments due on or before June 30, 2022. Refer to Note 4 for the relevant accounting policies of the practical expedient.

The Group applies the amendments from January 1, 2021.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The Group shall restate its comparative information when it initially applies the aforementioned amendments.

Upon initial application of the aforementioned amendments, the anticipated impact on the current year is set out below:

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>Impact on total comprehensive income</u>			
Operating revenue	\$ 89,654,713	\$ 677,891	\$ 90,332,604
Operating costs	68,473,835	<u>677,891</u>	69,151,726
Total effect on net profit for the year		<u>\$ -</u>	

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, investment properties which are measured at fair value, and net defined benefit assets (liabilities) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

Ya Li Precast and Prestressed Concrete Industries Corp., Asia Engineering Enterprise Corp. and Ya Li Precast Concrete India Pvt. Ltd. engage in construction related businesses, which have operating cycles of over one year. The assets and liabilities of the aforementioned companies related to the construction contracts are classified as current or non-current according to the length of their operating cycles.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

Refer to Note 13, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Group (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint ventures attributable to the Group.

Any excess of the cost of acquisition over the Group's share of net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of unrelated parties' interests in the associate and joint venture.

The Group's share of comprehensive income of associates or joint ventures is recognized using the treasury share method if there are reciprocal holdings between investors and investees. The reciprocally held shares of the Group are treated as treasury shares and are deducted from the outstanding shares in computing basic earnings per share.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss. Major renewals and betterments are capitalized, while maintenance and repairs are expensed currently. Properties in the course of construction are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the fixed-percentage-on-declining-balance method or the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are initially measured at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value and the carrying amount of the property at the date of transfer is recognized in other comprehensive income.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit is tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables and debt instruments at amortized cost, are measured at amortized cost, which is the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Cash equivalents include time deposits, bonds sold under repurchase agreements and commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss (ECLs) on financial assets at amortized cost (including trade receivables) as well as finance lease receivables at the end of each reporting period.

The Group always recognizes lifetime ECLs for trade receivables. For all other financial instruments and finance lease receivables, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment loss on all financial instruments is recognized with a corresponding adjustment to their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial liabilities

1) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are held for trading and are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Convertible bonds

The component parts of convertible bonds issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component. Transaction costs relating to the equity component are recognized directly in equity.

Derivative financial instruments

The Group enters into cross-currency swap contracts to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the mixed contracts are not measured at FVTPL.

n. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o. Revenue recognition

The Group identifies the contract with the customers, identifies the performance obligations in the contract, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from sales of goods is recognized when the goods are delivered to the customers' specified locations, which is the time that the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to the customers.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the freight revenue received from goods shipping services. As the Group provides goods shipping services, the customer simultaneously receives and consumes the benefits provided by the Group's satisfaction of performance obligations. Consequently, the related revenue is recognized when the services are rendered.

3) Construction contract revenue

The Group recognizes construction contract revenue over time while the construction is in progress. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

p. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments, variable lease payments which depend on an index or a rate, and residual value guarantees. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially the same as, or less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

q. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

t. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current tax and deferred tax for the year

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current tax and deferred tax are also recognized in other comprehensive income, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the recent development of the COVID-19 pandemic in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Estimated impairment of trade receivables

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 10.

Fair value measurements and valuation process of investment properties

If the Group's investment properties measured at fair value have no quoted prices in active markets, the Group determines whether to engage third party qualified appraisers for the application of appropriate valuation techniques for fair value measurements in accordance with related regulations or professional standards. The engaged appraisers measure the fair value of investment properties through the income approach and land development analysis approach, and would determine appropriate inputs by reference to the existing lease contract, rentals of similar properties in the vicinity of the Group's investment properties, domestic macroeconomic prospects, local land use, and market rates. If the actual changes of inputs in the future differ from expectations, the fair value might vary accordingly.

Information about the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 17.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Checking accounts and demand deposits	\$ 8,546,905	\$ 9,821,180
Petty cash	3,759	3,312
Cash on hand	1,137	1,162
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	24,357,981	15,023,096
Repurchase agreements collateralized by bonds	<u>540,836</u>	<u>1,062,982</u>
	<u>\$ 33,450,618</u>	<u>\$ 25,911,732</u>

The market rate intervals of time deposits and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	December 31	
	2021	2020
Time deposits	0.12%-3.30%	0.05%-3.30%
Repurchase agreements collateralized by bonds	0.31%-0.33%	0.24%-0.55%

As of December 31, 2021 and 2020, the Group's bank deposits in the amounts of \$1,052,588 thousand and \$314,343 thousand, respectively, are restricted as collateral for bank loans and classified as financial assets at amortized cost in the balance sheets. Time deposits with original maturities of more than 3 months in the amounts of \$13,460,406 thousand and \$5,851,847 thousand, respectively, are classified as financial assets at amortized cost in the balance sheets as of December 31, 2021 and 2020. Furthermore, as of December 31, 2021, repurchase agreements collateralized by bonds with original maturities of more than 3 months in the amount of \$302,953 thousand are also classified as financial assets at amortized cost. Refer to Note 9 for the details.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2021	2020
<u>Financial assets at FVTPL</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Bond options	\$ 466	\$ 94,743
Non-derivative financial assets		
Beneficiary certificates	18,907,053	9,311,570
Listed shares	<u>5,322,242</u>	<u>5,458,496</u>
	<u>\$ 24,229,761</u>	<u>\$ 14,864,809</u>

Financial liabilities at FVTPL

Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts	<u>\$ -</u>	<u>\$ 425,693</u>

The Group entered into cross-currency swap contracts to manage exposures to exchange rate fluctuations. The Group's financial hedging strategy is to avoid most of the cash flow risk exposure. As of December 31, 2020, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US\$215,000	2021.09.15	-	2.68%-2.80%

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31			
	2021		2020	
	Current	Non-current	Current	Non-current
Domestic investments				
Listed shares	\$ 3,875,642	\$ 8,917,601	\$ 4,102,617	\$ 9,043,782
Unlisted shares	-	1,815,326	-	1,691,106
	<u>3,875,642</u>	<u>10,732,927</u>	<u>4,102,617</u>	<u>10,734,888</u>
Foreign investments				
Listed shares	27,279	-	150,110	-
Unlisted shares	-	399,747	-	393,107
	<u>27,279</u>	<u>399,747</u>	<u>150,110</u>	<u>393,107</u>
	<u>\$ 3,902,921</u>	<u>\$ 11,132,674</u>	<u>\$ 4,252,727</u>	<u>\$ 11,127,995</u>

- These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.
- Asia Cement Pioneer Investment Ltd. (ACP) acquired the shares of Cementon Micronesia LLC for US\$3,900 thousand in September 2010. As of December 31, 2021, 50% of the investment consideration was not paid and accounted for as accounts payable and accrued expenses - third parties. The consideration will be paid once the counterparty asks for payment.
- Refer to Note 36 for information relating to financial assets at fair value through other comprehensive income pledged as collaterals.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Time deposits with original maturities of more than 3 months	\$ 13,460,406	\$ 5,851,847
Notes receivable	-	10,462,228
Repurchase agreements collateralized by bonds	302,953	-
Restricted assets	<u>1,052,588</u>	<u>314,343</u>
	<u>\$ 14,815,947</u>	<u>\$ 16,628,418</u>
Current	<u>\$ 14,755,328</u>	<u>\$ 16,575,640</u>
Non-current	<u>\$ 60,619</u>	<u>\$ 52,778</u>

Based on the Group's assessment, the credit risk of these financial assets is not expected to be high and has not increased since initial recognition.

Refer to Note 36 for information relating to financial assets at amortized cost pledged as collaterals.

10. TRADE RECEIVABLES

	December 31	
	2021	2020
<u>At amortized cost</u>		
Trade receivables - sales	\$ 11,049,471	\$ 9,748,930
Finance lease receivable - current (Note 11)	1,272,029	778,653
Construction receivable	101,099	89,250
Operating lease receivable	85,711	51,449
Less: Allowance for impairment loss - sales	(1,526,743)	(1,165,856)
Less: Allowance for impairment loss - construction	<u>(555)</u>	<u>(661)</u>
	<u>\$ 10,981,012</u>	<u>\$ 9,501,765</u>

Trade Receivables - Sales

The average credit period of receivables from sales of goods was 30-90 days. Specific customers with good credit records were given longer credit period occasionally. The average credit period for customers of concrete products was 180-365 days after construction of building was finished.

The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. The Group obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix and by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As there are different loss patterns for various customer segments, the Group uses different provision matrixes based on a provision matrix through grouping of various debtors that have common risk characteristics, and determines the expected credit loss rate by reference to the past due days of accounts receivable and regional economic conditions.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 8,299,753	\$ 1,329,453	\$ 596,416	\$ 823,849	\$ 11,049,471
Loss allowance (lifetime ECLs)	<u>(184,433)</u>	<u>(161,080)</u>	<u>(404,717)</u>	<u>(776,513)</u>	<u>(1,526,743)</u>
Amortized cost	<u>\$ 8,115,320</u>	<u>\$ 1,168,373</u>	<u>\$ 191,699</u>	<u>\$ 47,336</u>	<u>\$ 9,522,728</u>

December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 6,513,332	\$ 1,440,464	\$ 508,325	\$ 1,286,809	\$ 9,748,930
Loss allowance (lifetime ECLs)	<u>(148,420)</u>	<u>(99,688)</u>	<u>(101,479)</u>	<u>(816,269)</u>	<u>(1,165,856)</u>
Amortized cost	<u>\$ 6,364,912</u>	<u>\$ 1,340,776</u>	<u>\$ 406,846</u>	<u>\$ 470,540</u>	<u>\$ 8,583,074</u>

The above aging schedule was based on the invoice date.

The movements of the loss allowance of trade receivables were as follows:

	December 31	
	2021	2020
Balance at January 1	\$ 1,166,517	\$ 1,043,758
Add: Impairment losses recognized on receivables	638,587	502,105
Add: Amounts recovered from the prior year write-offs	12,732	1
Less: Amounts written off	(283,214)	(388,763)
Disposal of subsidiary	-	(6,006)
Effect of foreign currency exchange differences	<u>(7,324)</u>	<u>15,422</u>
Balance at December 31	<u>\$ 1,527,298</u>	<u>\$ 1,166,517</u>

11. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
<u>Undiscounted lease payments</u>		
Year 1	\$ 1,974,288	\$ 1,401,682
Year 2	1,974,288	1,401,682
Year 3	1,974,288	1,401,682
Year 4	1,974,288	1,401,682
Year 5	1,974,288	1,401,682
Year 6 onwards	<u>11,153,861</u>	<u>4,205,046</u>
	21,025,301	11,213,456
Unguaranteed residual value	486,573	-
Less: Unearned finance income	<u>(3,935,009)</u>	<u>(3,042,589)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 17,576,865</u>	<u>\$ 8,170,867</u>
Current	\$ 1,272,029	\$ 778,653
Non-current	<u>16,304,836</u>	<u>7,392,214</u>
	<u>\$ 17,576,865</u>	<u>\$ 8,170,867</u>

Chiahui Power Corp. (CHP) entered into 25-year and 20-year Purchase and Sale Contracts of the Phase I and Phase II power plant, respectively, with Taiwan Power Company (TPC). According to the contracts, electricity generated by CHP is sold to TPC. CHP started its operations on December 15, 2003 and on July 31, 2021. Because the nature of the contracts is considered as conveyance of rights to use asset, the contracts are regarded as finance leases.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2021, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate.

12. INVENTORIES

	December 31	
	2021	2020
Finished goods	\$ 1,969,519	\$ 2,141,698
Work in progress	1,036,302	783,221
Raw materials	4,222,989	2,065,356
Supplies	<u>1,584,499</u>	<u>1,605,993</u>
	<u>\$ 8,813,309</u>	<u>\$ 6,596,268</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$59,610,450 thousand and \$49,268,736 thousand, respectively. The cost of goods sold included reversals of inventory write-downs of \$(15,989) thousand and inventory write-downs of \$8,690 thousand. The reversals of previous write-downs resulted from the sale of these inventories.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Proportion of Ownership and Voting Rights		Remark
		December 31		
		2021	2020	
The Corporation	Der Ching Investment Corp. (DCI)	99.99%	99.99%	Note 7
	Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	99.99%	99.99%	Notes 6 and 7
	Nan Hwa Cement Corp. (NHC)	99.98%	99.98%	Note 7
	Chiahui Power Corp. (CHP)	99.70%	99.69%	Notes 6 and 7
	Asia Cement (Singapore) Pte. Ltd. (ACSPL)	99.99%	99.96%	Note 6
	ACCCHC	67.73%	67.73%	Note 1
	Ya Li Precast and Prestressed Concrete Industries Corp. (YLPPC)	83.94%	83.92%	Notes 6 and 7
	Asia Investment Corp. (AIC)	100.00%	100.00%	
	Fu Ming Transport Corp. (FMT)	99.95%	99.95%	Notes 6 and 7
	Asia Engineering Enterprise Corp. (AEE)	99.74%	99.74%	Notes 6 and 7
	Sunrise Industrial Holdings Ltd. (SIHL)	100.00%	100.00%	
	Yuan Long Stainless Steel Corp. (YLSS)	100.00%	100.00%	
	Yali Transportation Corp. (YLT)	51.61%	51.61%	Note 7
	DCI	Kowloon Cement Corp. Ltd. (KCC)	49.00%	49.00%
Fu Shan Mineral Stone Co., Ltd. (FSMS)		99.56%	99.56%	
AC Mega Investment Ltd. (ACM)		100.00%	100.00%	Notes 2 and 4
AC Mega II Investment Ltd. (ACM II)		100.00%	100.00%	Notes 2 and 4
AC Mega III Investment Ltd. (ACM III)		100.00%	100.00%	Notes 2 and 4
AC Mega IV Investment Ltd. (ACM IV)		100.00%	100.00%	Notes 2 and 4
AC Leap Investment Ltd. (ACL)		100.00%	100.00%	Notes 2 and 4

(Continued)

(Continued)

Investor	Subsidiary	Proportion of Ownership and Voting Rights		Remark	
		December 31			
		2021	2020		
YTRMC	Ya Sing Ready-Mixed Concrete Corp. (YSRMC)	69.95%	69.95%	Note 8	
	Ya Tung Vietnam Co., Ltd. (YTV)	100.00%	100.00%		
	PT Yatung Concrete International (PYCI)	-	-	Note 9	
AOG	Asia Oriental (Guam) LLC (AOG)	95.04%	95.04%		
	Asia Oriental Concrete, LLC (AOC)	71.68%	71.68%		
FMT	Fu Da Transportation Corp. (FDT)	99.94%	99.94%	Note 8	
AEE	ACCHC	0.20%	0.20%		
AIC	CHP	0.01%	0.01%		
	DCI	0.00%	0.00%		
	NHC	0.02%	0.02%		
	FMT	0.02%	0.02%		
	FSMS	0.38%	0.38%		
	FDT	0.03%	0.03%		
	YSRMC	0.05%	0.05%		
	AEE	0.07%	0.07%		
	YTRMC	0.00%	0.00%		
	Asia Cement Explorer Investment Ltd. (ACE)	100.00%	100.00%	Notes 3 and 5	
	Asia Cement Pioneer Investment Ltd. (ACP)	100.00%	100.00%		Notes 3 and 5
	Asia Cement Pioneer II Investment Ltd. (ACP II)	100.00%	100.00%	Notes 3 and 5	
	Asia Cement Pioneer III Investment Ltd. (ACP III)	100.00%	100.00%		Notes 3 and 5
	Asia Cement Pioneer IV Investment Ltd. (ACP IV)	100.00%	100.00%	Notes 3 and 5	
	YLPPC	PYCI	-		-
ACSPL	Ya Li Precast Concrete India Pvt. Ltd. (YLPCIP)	99.99%	99.99%		
	AOG	4.96%	4.96%		
	Oriental Concrete Pte. Ltd. (OCPL)	100.00%	100.00%		
ACCHC	ACCHC	4.07%	4.07%		
	Perfect Industrial Holdings Pte. Ltd. (PIHPL)	100.00%	100.00%		
PIHPL	Asia Continent Investment Holdings Pte. Ltd. (ACIHPL)	100.00%	100.00%		
	Oriental Industrial Holdings Pte. Ltd. (OIHPL)	99.99%	99.99%		
ACIHPL	Jiangxi Yadong Cement Co., Ltd. (JYDC)	85.00%	85.00%		
OIHPL	Wuhan Yadong Cement Co., Ltd. (WYDC)	90.00%	90.00%		
	Oriental Holdings Co., Ltd. (OHC)	100.00%	100.00%		
	Shanghai Yali Cement Products Co., Ltd. (SHYLCP)	90.00%	90.00%		
	Hubei Yadong Cement Co., Ltd. (HYDCCL)	90.00%	90.00%		
	Sichuan Yali Concrete Produce Co., Ltd. (SYCPCL)	90.00%	90.00%		
	Sichuan Yali Transport Co., Ltd. (SYTCL)	90.00%	90.00%		
	Yangzhou Yadong Cement Co., Ltd. (YYDCCL)	90.00%	90.00%		
	Sichuan Yadong Cement Co., Ltd. (SIYDCCL)	90.00%	90.00%		
	Chengdu Yali Cement Products Co., Ltd. (CYCPCL)	51.22%	51.22%		
	Huanggang Yadong Cement Co., Ltd. (HGYDC)	90.00%	90.00%		
	JYDC	Jiangxi Yali Transport Co., Ltd. (JYLTC)	52.00%	52.00%	Note 8
	Nanchang Yadong Cement Co., Ltd. (NYDC)	50.00%	50.00%		
	Nanchang Yali Concrete Produce Ltd. (NYLC)	100.00%	100.00%		
	OHC	Ruichang Yadong New Material Co., Ltd. (RYNM)	100.00%	100.00%	
		JYDC	10.00%	10.00%	
WYDC		10.00%	10.00%		
NYDC		25.00%	25.00%		
JYLTC		48.00%	48.00%		
SHYLCP		10.00%	10.00%		
SYTCL		10.00%	10.00%		
SIYDCCL		10.00%	10.00%		
HGYDC		10.00%	10.00%		
YYDCCL	10.00%	10.00%			

(Continued)

Investor	Subsidiary	Proportion of Ownership and Voting Rights		Remark
		December 31		
		2021	2020	
WYDC SIYDCCL SLCL HYDCCL KCC	CYCPCL	48.78%	48.78%	(Concluded)
	HYDCCL	10.00%	10.00%	
	SYCPCL	10.00%	10.00%	
	Tai Zhou Oriental Construction Co., Ltd. (TZOCCL)	100.00%	100.00%	
	Wuhan Yali Cement Products Co., Ltd. (WYCPCL)	100.00%	100.00%	
	Sichuan Lanfeng Cement Co., Ltd. (SLCL)	100.00%	100.00%	
	Sichuan Lanfeng Construction Co., Ltd. (SLCCL)	100.00%	100.00%	
	Hubei Yali Transport Co., Ltd. (HYTCL)	100.00%	100.00%	
	Wuhan Yaxin Cement Co., Ltd. (WYXC)	90.00%	90.00%	
Kowloon Concrete Corporation Limited (KCCL)	100.00%	100.00%	Note 4	
Join Fortune Trading Ltd. (JFTL)	100.00%	100.00%		

Remarks:

- Note 1: Subsidiaries that have material non-controlling interests. See Table 8 for the information on the places of incorporation and principal places of business.
- Note 2: In the third quarter of 2021, the Corporation's subsidiary, DCI, fully subscribed for cash capital increase of its subsidiaries, ACP, ACM, ACM II, ACM III, and ACM IV, for US\$10,000 thousand, respectively.
- Note 3: In the third quarter of 2021, the Corporation's sub-subsidiary, AIC, fully subscribed for cash capital increase of its subsidiaries, ACE, ACP, ACP II, ACP III, and ACP IV, for US\$10,000 thousand, respectively.
- Note 4: In the third quarter of 2020, the Corporation's sub-subsidiaries, JFTL, ACL, ACM, ACM II, ACM III, and ACM IV, underwent capital reduction in the amounts of HK\$4,323 thousand, US\$9,800 thousand, US\$9,900 thousand, US\$700 thousand, US\$700 thousand and US\$9,900 thousand, respectively.
- Note 5: In the third quarter of 2020, the Corporation's sub-subsidiaries, ACE, ACP, ACP II, ACP III, and ACP IV, underwent capital reduction in the amounts of US\$10,700 thousand, US\$10,000 thousand, US\$10,200 thousand, US\$10,200 thousand and US\$9,900 thousand, respectively.
- Note 6: From March to December 2021, the Corporation acquired non-controlling interests in its subsidiaries, including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE; refer to Note 32 for the details.
- Note 7: From April to December 2020, the Corporation acquired non-controlling interests in its subsidiaries, including CHP, YTRMC, DCI, FMT, NHC, AEE, YLT and YLPPC; refer to Note 32.
- Note 8: From July to December 2020, YTRMC, FMT and JYDC acquired non-controlling interests in their subsidiaries, YSRMC, FDT, and JYLTC, refer to Note 32.
- Note 9: On December 25, 2020, the Corporation's subsidiaries, YTRMC and YLPPC, sold their interests in sub-subsidiary, PYCI, and the loss recognized from the disposal was \$58,871 thousand.

- b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
		December 31	
		2021	2020
ACCHC	Refer to Tables 7 and 8	28.00%	28.00%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
ACCHC	\$ 2,380,049	\$ 3,540,600	\$ 22,535,625	\$ 21,344,668
Others	<u>79,500</u>	<u>522,721</u>	<u>810,338</u>	<u>773,725</u>
	<u>\$ 2,459,549</u>	<u>\$ 4,063,321</u>	<u>\$ 23,345,963</u>	<u>\$ 22,118,393</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

ACCHC and its subsidiaries:

	December 31	
	2021	2020
Current assets	\$ 47,290,494	\$ 46,509,962
Non-current assets	44,909,405	47,646,022
Current liabilities	13,790,922	18,875,249
Non-current liabilities	<u>2,420,493</u>	<u>3,349,676</u>
Equity	<u>\$ 75,988,484</u>	<u>\$ 71,931,059</u>
Equity attributable to:		
Owners of the Corporation	\$ 53,452,859	\$ 50,586,391
Non-controlling interests of ACCHC	20,787,223	19,672,485
Non-controlling interests of ACCHC's subsidiaries	<u>1,748,402</u>	<u>1,672,183</u>
	<u>\$ 75,988,484</u>	<u>\$ 71,931,059</u>
	For the Year Ended December 31	
	2021	2020
Revenue	<u>\$ 51,156,624</u>	<u>\$ 46,481,228</u>
Profit for the year	\$ 7,903,196	\$ 11,743,520
Other comprehensive income (loss) for the year	<u>(208,383)</u>	<u>965,782</u>
Total comprehensive income for the year	<u>\$ 7,694,813</u>	<u>\$ 12,709,302</u>

(Continued)

	For the Year Ended December 31	
	2021	2020
Profit attributable to:		
Owners of the Corporation	\$ 5,523,147	\$ 8,202,920
Non-controlling interests of ACCHC	2,147,890	3,190,025
Non-controlling interests of ACCHC's subsidiaries	<u>232,159</u>	<u>350,575</u>
	<u>\$ 7,903,196</u>	<u>\$ 11,743,520</u>
Total comprehensive income attributable to:		
Owners of the Corporation	\$ 5,373,111	\$ 8,898,283
Non-controlling interests of ACCHC	2,089,543	3,460,444
Non-controlling interests of ACCHC's subsidiaries	<u>232,159</u>	<u>350,575</u>
	<u>\$ 7,694,813</u>	<u>\$ 12,709,302</u>
Dividends paid to non-controlling interest		
ACCHC	<u>\$ 974,806</u>	<u>\$ 907,857</u>
ACCHC's subsidiaries	<u>\$ 146,350</u>	<u>\$ 343,119</u>
		(Concluded)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in associates	\$ 87,366,536	\$ 84,323,883
Investments in joint ventures	<u>741,650</u>	<u>549,352</u>
	<u>\$ 88,108,186</u>	<u>\$ 84,873,235</u>

a. Investments in associates

	December 31	
	2021	2020
<u>Material associates</u>		
Listed shares		
FENC	\$ 41,129,452	\$ 41,566,417
U-Ming Marine Transport Corp. (U-Ming)	10,490,805	9,379,683
CSCGL	<u>16,266,895</u>	<u>14,380,609</u>
	<u>67,887,152</u>	<u>65,326,709</u>
		(Continued)

	December 31	
	2021	2020
<u>Associates that are not individually material</u>		
Unlisted shares		
Far Eastern Construction Co., Ltd. (FEC)	5,163,484	4,935,305
Yuan Ding Co., Ltd. (YDC)	4,365,810	4,441,817
Yuan Ding Enterprise (Shanghai) (YDES)	2,893,066	3,038,347
Yue Yuan Investment Corp. (YYI)	2,584,547	2,453,784
Oriental Securities Corp. (OSC)	2,016,395	1,942,089
Yue Ding Enterprise Corp. (YDEC)	719,223	695,211
FEDS Development Ltd. (FEDSDL)	640,234	634,350
Yuan Ding Leasing Corp. (YDLC)	377,521	377,260
Drive Catalyst SPC - SP Tranche Three (Catalyst Tranche Three)	235,904	127,392
Drive Catalyst SPC - SP Tranche Two (Catalyst Tranche Two)	116,675	-
Drive Catalyst SPC - SP Tranche One (Catalyst Tranche One)	111,512	106,171
Everstrong Iron & Steel Foundry Ltd. (EISF)	105,011	100,653
Hubei Zhongjian Yadong Concrete Co., Ltd. (HZYCCL)	92,380	90,194
Pao-Good Industry Co., Ltd. (PGIC)	55,617	52,544
Opas Fund Segregated Portfolio Company (OFSPC)	1,498	1,538
Drive Catalyst SPC (Catalyst)	467	479
Perez-Mtec-ACC, LLC (PMA)	40	40
	<u>19,479,384</u>	<u>18,997,174</u>
	<u>\$ 87,366,536</u>	<u>\$ 84,323,883</u>
		(Concluded)

At the end of the reporting period, the percentages of owners' voting rights in associates held by the Group were as follows:

	December 31	
Name of Associate	2021	2020
FENC	25.72%	25.74%
U-Ming	41.41%	41.41%
CSCGL	17.46%	17.46%
FEC	33.76%	33.76%
YDC	49.99%	49.99%
YDES	40.00%	40.00%
YYI	29.92%	29.92%
OSC	18.93%	18.93%
YDEC	30.84%	30.84%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
Catalyst Tranche Three	25.00%	25.00%
Catalyst Tranche Two	25.00%	-
Catalyst Tranche One	25.00%	25.00%
EISF	48.73%	48.73%
HZYCCL	40.00%	40.00%
PGIC	31.00%	31.00%
OFSPC	33.00%	33.00%
Catalyst	33.00%	33.00%
PMA	33.33%	33.33%

The Group is the single largest shareholder with 41.41% and 25.72% of the voting rights of associates, U-Ming and FENC, respectively. Considering the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other shareholders and the voting patterns at previous shareholders' meetings, which indicate that other shareholders are not passive, the Group is not able to appoint more than half of the members of those charged with governance of U-Ming and FENC. Consequently, the Group considered and classified U-Ming and FENC as associates of the Group as it is merely able to exercise significant influence over U-Ming and FENC.

Due to the liquidation of SHSTC in 2019, the Corporation's subsidiaries, DCI and NHC, received cash refund of capital stock in the amount of \$2,774 thousand, and the Corporation recognized gains on disposal of investments of \$2,774 thousand for the years ended December 31, 2020.

In April 2021, the Corporation's subsidiary DCI subscribed for 4,000 new shares in the amount of US\$4,000 thousand of both Catalyst Tranche Two and Catalyst Tranche Three. After the subscription, DCI owned 25% of the shares of both associates.

On February 18, 2019 and June 30, 2019, ACCHC subscribed for YDES's cash capital increase in the amount of RMB714,190 thousand through its subsidiary OHC; after the subscription, ACCHC's percentage of ownership in YDES was 40%. Included in the cost of investment in associates is goodwill of RMB53,340 thousand recognized from the acquisition. As of December 31, 2021, the Group carried out an impairment test on its investment in YDES by comparing the recoverable amount with the carrying amount. The Group determined the recoverable amount on the basis of its value in use. Based on the assessment, the recoverable amount of the Group's interest in YDES was lower than the carrying amount; therefore, impairment loss of RMB53,340 thousand (NT\$231,725 thousand) was recognized on the Group's investments in associates for the year ended December 31, 2021.

As of December 31, 2021 and 2020, the information of associates was as follows:

- 1) Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	December 31	
	2021	2020
FENC	\$ 40,329,561	\$ 39,884,286
U-Ming	\$ 21,134,854	\$ 12,911,856
CSCGL	\$ 5,243,774	\$ 5,068,493

- 2) The summarized financial information in respect of the Group's material associates is set out below:

FENC:

	December 31	
	2021	2020
Current assets	\$ 33,457,578	\$ 30,257,013
Non-current assets	300,018,280	296,195,063
Current liabilities	22,641,821	22,380,382
Non-current liabilities	<u>104,785,302</u>	<u>100,042,507</u>
Equity	206,048,735	204,029,187
Proportion of the Group's ownership	25.72%	25.74%
Equity attributable to the Group	52,995,735	52,517,113
Cross shareholdings	<u>(11,866,283)</u>	<u>(10,950,696)</u>
Carrying amount	\$ <u>41,129,452</u>	\$ <u>41,566,417</u>

	For the Year Ended December 31	
	2021	2020
Operating revenue	\$ 45,527,236	\$ 38,768,801
Net profit for the year	\$ 9,684,584	\$ 8,062,699
Other comprehensive loss	<u>(515,037)</u>	<u>(26,143)</u>
Total comprehensive income for the year	\$ 9,169,547	\$ 8,036,556
Dividends received from FENC	\$ 1,859,900	\$ 2,066,555

U-Ming:

	December 31	
	2021	2020
Current assets	\$ 2,156,201	\$ 2,088,840
Non-current assets	51,659,693	47,537,505
Current liabilities	14,284,980	14,349,470
Non-current liabilities	<u>13,672,196</u>	<u>12,101,381</u>
Equity	25,858,718	23,175,494
Proportion of the Group's ownership	41.41%	41.41%
Equity attributable to the Group	10,708,095	9,596,972
Unrealized gain or loss with associates	\$ (87,524)	\$ (87,523)
Other adjustments	<u>(129,766)</u>	<u>(129,766)</u>
Carrying amount	\$ 10,490,805	\$ 9,379,683

	For the Year Ended December 31	
	2021	2020
Operating revenue	\$ 1,660,430	\$ 1,039,426
Net profit for the year	\$ 4,892,584	\$ 878,425
Other comprehensive loss	<u>(1,194,945)</u>	<u>(2,941,713)</u>
Total comprehensive income (loss) for the year	\$ 3,697,639	\$ (2,063,288)
Dividends received from U-Ming	\$ 419,899	\$ 664,840

CSCGL and its subsidiaries:

	December 31	
	2021	2020
Current assets	\$ 33,743,814	\$ 31,277,287
Non-current assets	91,774,378	89,317,484
Current liabilities	40,489,814	42,872,156
Non-current liabilities	3,755,805	8,522,285
Non-controlling interests	<u>1,151,223</u>	<u>780,884</u>
Equity attributable to CSCGL	80,121,350	68,419,446
Proportion of the Group's ownership	17.46%	17.46%
Equity attributable to the Group	13,969,887	11,927,957
Goodwill	1,856,015	1,856,015
Quarry right	<u>440,993</u>	<u>596,637</u>
Carrying amount	<u>\$ 16,266,895</u>	<u>\$ 14,380,609</u>
	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 107,127,471</u>	<u>\$ 89,543,906</u>
Net profit for the year	\$ 12,575,968	\$ 14,034,527
Other comprehensive income	<u>48,130</u>	<u>93,155</u>
Total comprehensive income for the year	<u>\$ 12,624,098</u>	<u>\$ 14,127,682</u>

3) Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Profit for the year	\$ 507,333	\$ 847,607
Other comprehensive (loss) income	<u>368,443</u>	<u>(122,722)</u>
Total comprehensive income for the year	<u>\$ 875,776</u>	<u>\$ 724,885</u>

4) The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 36.

b. Investments in joint ventures that are not individually material:

	December 31	
	2021	2020
<u>Unlisted companies</u>		
Alliance Concrete Singapore Pte. Ltd. (Alliance)	\$ 445,899	\$ 281,236
Wuhan Asia Marine Transport Co., Ltd. (WAMTC)	221,758	210,239
Hubei Xinlongyuan Mining Co., Ltd. (HXMC)	51,526	53,437
Jiangxi Ruiya New Materials Co., Ltd. (JRNMCI)	18,164	-
Profit Enterprises Int'l Ltd. (PEI)	<u>4,303</u>	<u>4,440</u>
	<u>\$ 741,650</u>	<u>\$ 549,352</u>

At the end of the reporting period, the percentages of owners' voting rights in joint ventures held by the Group were as follows:

Name of Joint Ventures	December 31	
	2021	2020
Alliance	50.00%	50.00%
WAMTC	50.00%	50.00%
HXMC	40.00%	40.00%
JRNMC	45.00%	-
PEI	50.00%	50.00%

Aggregate information of joint ventures that are not individually material:

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Income for the year	\$ 249,442	\$ 127,251
Other comprehensive income	<u> </u>	<u> </u>
Total comprehensive income for the year	<u>\$ 249,442</u>	<u>\$ 127,251</u>

All the associates and joint ventures are accounted for using the equity method.

Due to the liquidation of ESC in the third quarter of 2020, the Corporation's sub-subsidiary JFTL received cash refund of capital stock in the amount of HK\$4,323 thousand for the year ended December 31, 2020.

In the first quarter of 2021, the Group incorporated JRNMC, which is engaged in the manufacturing and sale of gravel, under a joint venture agreement with the municipal government of Ruichang City. According to the agreement, operation policy decisions should be made by unanimous agreement of the shareholders of both entities. The Group has no right to obtain the variable rewards which is unavailable to the other shareholders and does not have direct ability to affect the rewards from investing in JRNMC. As a result, the Group has no control over JRNMC.

In the second quarter of 2021, the Corporation's joint venture PEI carried out a capital reduction of HK\$9,761 thousand to cover its accumulated deficit.

Refer to Table 7 "Information on Investees" and Table 8 "Information on Investments in Mainland China" for the nature of activities, principal place of business and country of incorporation of the associates and joint ventures

15. PROPERTY, PLANT AND EQUIPMENT

Assets Used By the Group

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 6,592,017	\$ 24,161,562	\$ 73,487,784	\$ 12,347,046	\$ 5,569,372	\$ 122,157,781
Additions	502,149	27,978	100,501	208,159	5,382,313	6,221,100
Disposals	-	(135,097)	(862,658)	(540,971)	-	(1,538,726)
Transferred from supplies	-	-	-	2,837	-	2,837
Transferred to intangible assets	-	-	(9,034)	-	(5,195)	(14,229)
Transferred from completed construction	-	338,061	803,694	347,936	(1,489,691)	-
Reclassified	-	-	6,152	(6,152)	-	-
Disposal of subsidiary	-	-	(2,748)	(57,378)	-	(60,126)
Effect of foreign currency exchange differences	-	267,578	774,229	45,993	5,720	1,093,520
Balance at December 31, 2020	<u>7,094,166</u>	<u>24,660,082</u>	<u>74,297,920</u>	<u>12,347,470</u>	<u>9,462,519</u>	<u>127,862,157</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	12,595	10,095,645	51,105,580	10,262,680	-	71,476,500
Depreciation expense	-	620,262	3,029,445	597,572	-	4,247,279
Impairment losses	-	-	-	13,212	-	13,212
Disposals	-	(91,035)	(695,593)	(490,034)	-	(1,276,662)
Reclassified	-	-	2,201	(2,201)	-	-
Disposal of subsidiary	-	-	(1,323)	(21,197)	-	(22,520)
Effect of foreign currency exchange differences	-	75,790	502,306	26,040	-	604,136
Balance at December 31, 2020	<u>12,595</u>	<u>10,700,662</u>	<u>53,942,616</u>	<u>10,386,072</u>	<u>-</u>	<u>75,041,945</u>
Carrying amounts at December 31, 2020	<u>\$ 7,081,571</u>	<u>\$ 13,959,420</u>	<u>\$ 20,355,304</u>	<u>\$ 1,961,398</u>	<u>\$ 9,462,519</u>	<u>\$ 52,820,212</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 7,094,166	\$ 24,660,082	\$ 74,297,920	\$ 12,347,470	\$ 9,462,519	\$ 127,862,157
Additions	210	14,505	35,143	294,665	3,273,019	3,617,542
Disposals	-	(74,413)	(337,027)	(477,139)	-	(888,579)
Transferred to intangible assets	-	-	-	-	(62,643)	(62,643)
Transferred to inventories	-	-	-	-	(6,274)	(6,274)
Transferred to finance lease receivables	-	-	-	-	(10,363,717)	(10,363,717)
Transferred from completed construction	1,233	2,910	930,779	345,305	(1,280,227)	-
Effect of foreign currency exchange differences	-	(127,816)	(307,979)	(20,155)	(3,098)	(459,048)
Balance at December 31, 2021	<u>7,095,609</u>	<u>24,475,268</u>	<u>74,618,836</u>	<u>12,490,146</u>	<u>1,019,579</u>	<u>119,699,438</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	12,595	10,700,662	53,942,616	10,386,072	-	75,041,945
Depreciation expense	-	628,737	3,025,822	553,992	-	4,208,551
Impairment losses	-	-	62,216	9,195	-	71,411
Disposals	-	(48,487)	(279,268)	(450,884)	-	(778,639)
Effect of foreign currency exchange differences	-	(52,528)	(208,719)	(14,315)	-	(275,562)
Balance at December 31, 2021	<u>12,595</u>	<u>11,228,384</u>	<u>56,542,667</u>	<u>10,484,060</u>	<u>-</u>	<u>78,267,706</u>
Carrying amounts at December 31, 2021	<u>\$ 7,083,014</u>	<u>\$ 13,246,884</u>	<u>\$ 18,076,169</u>	<u>\$ 2,006,086</u>	<u>\$ 1,019,579</u>	<u>\$ 41,431,732</u>

Because the nature of CHP's Purchase and Sale Contracts of Phase II power plant with TPC are considered as conveyance of rights to use asset, the contracts are regarded as finance leases. Consequently, the property, plant and equipment of the Phase II power plant was reclassified to finance lease receivables from its commercial operations date, refer to Note 11 for the details.

The above items of property, plant and equipment are depreciated on a fixed-percentage-on-declining-balance basis or on a straight-line basis over the estimated useful life of the asset taken apart into major component elements:

Building	
Main buildings	15-60 years
Other facilities	2-30 years
Equipment	2-20 years
Other equipment	2-15 years

As of December 31, 2021, the titles of land with carrying amount of \$89,019 thousand were temporarily registered in the name of trustees who had either signed an agreement or had pledged the land to the Corporation or to the subsidiaries.

Refer to Note 36 for the carrying amount of property, plant and equipment pledged by the Group as collaterals for borrowings.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amounts</u>		
Land	\$ 3,432,330	\$ 3,522,407
Buildings	796,769	859,273
Equipment	<u>527,065</u>	<u>557,283</u>
	<u>\$ 4,756,164</u>	<u>\$ 4,938,963</u>
	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 407,107</u>	<u>\$ 312,397</u>
Depreciation charge for right-of-use assets		
Land	\$ 163,020	\$ 140,637
Buildings	83,749	83,890
Equipment	<u>155,743</u>	<u>156,882</u>
	<u>\$ 402,512</u>	<u>\$ 381,409</u>

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amounts</u>		
Current	<u>\$ 187,274</u>	<u>\$ 222,101</u>
Non-current	<u>\$ 1,084,452</u>	<u>\$ 1,158,824</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	1.06%-4.75%	1.06%-3.50%
Buildings	1.30%-4.90%	1.30%-4.90%
Equipment	1.10%-3.00%	1.17%-3.00%

c. Material lease-in activities and terms

The Group leases harbors, land, buildings and equipment for the use in business operations and has obtained land use rights in mainland China, Hong Kong, Singapore and Vietnam. Certain lease contracts specify that lease payment will be adjusted on the basis of changes in market rental rates or announced land value prices. The Group does not have bargain purchase options to acquire the leasehold assets at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17. Lease arrangements for the leasing out of assets under finance leases are set out in Note 11.

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 250,262</u>	<u>\$ 205,662</u>
Expenses relating to low-value asset leases	<u>\$ 776</u>	<u>\$ 699</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 69,181</u>	<u>\$ 61,940</u>
Total cash outflow for leases	<u>\$ 818,513</u>	<u>\$ 618,429</u>

The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for leases that qualify as short-term leases or low-value asset leases.

17. INVESTMENT PROPERTIES

	December 31	
	2021	2020
Measured at fair value		
Leased investment properties	\$ 30,525,678	\$ 30,332,308
Undeveloped investment properties	<u>6,317,952</u>	<u>6,256,940</u>
	<u>\$ 36,843,630</u>	<u>\$ 36,589,248</u>

	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2020	\$ 29,954,068	\$ 6,222,371	\$ 36,176,439
Changes in fair value of investment properties	365,844	(127,988)	237,856
Effect of foreign currency exchange differences	2,401	4,562	6,963
Additions	2,343	-	2,343
Write-off accounts receivable	-	165,647	165,647
Reclassifications	<u>7,652</u>	<u>(7,652)</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ 30,332,308</u>	<u>\$ 6,256,940</u>	<u>\$ 36,589,248</u>
Balance at January 1, 2021	\$ 30,332,308	\$ 6,256,940	\$ 36,589,248
Changes in fair value of investment properties	215,801	28,500	244,301
Effect of foreign currency exchange differences	(759)	(1,726)	(2,485)
Additions	3,035	-	3,035
Write-off accounts receivable	-	9,531	9,531
Reclassifications	<u>(24,707)</u>	<u>24,707</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 30,525,678</u>	<u>\$ 6,317,952</u>	<u>\$ 36,843,630</u>

The investment properties for lease were as follows:

- a. On January 1, 1998, the Corporation granted FEDSDL the right to construct a shopping center on a parcel of land it owned with an area of 6,976 square meters located in Lin-Ya, Kaohsiung. As consideration for the right to construct and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use rights in the amount of \$1,073,000 thousand and (b) annual rental at 5% of the reference price of such land announced by the local government. The proceeds of the land use rights were recorded as long-term deferred revenue and recognized as rental revenue on a periodic basis.
- b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located at Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction of a twin tower building (Taipei Metro) by YDC on the said land, (b) continued use of the land without additional compensation for 30 years starting from the date of the completion of the building. In view of the foregoing agreement, the Corporation recorded the 12% of the building construction cost or \$1,402,753 thousand as building acquired and as long-term deferred revenue, and recognized as revenue on a periodic basis.
- c. Others mainly included the following:
 - 1) Asia-Cement Building held by the Corporation - leased to FEDS;
 - 2) Pao-Ching Building held by the Corporation - leased to Sofiva Genomics;
 - 3) Land and building in Chiayi City held by the Corporation;
 - 4) Buildings in Sichuan held by SIYDCCL

The lease terms of the abovementioned land and buildings are 1-10 years, and the rents are paid monthly.

The Group's undeveloped investment properties included a parcel of land located in Lin-Ya, Kaohsiung, as well as stores, apartments, and office buildings acquired by SIYDCCL, HYDCCL and SHYLCP as collaterals for overdue balances from customers.

The fair values of investment properties were valued by independent qualified professional appraisers. According to local requirements, entities are required to have independent appraisal for the investment properties with individual carrying amount of \$300 million or higher. The fair values of investment properties as of December 31, 2021 and 2020 were determined by qualified professional appraisers, Mr. Chang from Savills (Taiwan) Limited and Mr. Tsai and Ms. Hu from DTZ real estate appraisers firm on February 23, 2022 and March 2, 2021, respectively.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Completed Investment Property	Investment Property under Construction	Total
Balance at January 1, 2020	\$ 29,954,068	\$ 6,222,371	\$ 36,176,439
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	365,844	(127,988)	237,856
Recognized in other comprehensive income			
Exchange differences on translating the financial statements of foreign operations	2,401	4,562	6,963
Purchases	2,343	-	2,343
Transfers into Level 3	-	165,647	165,647
Reclassified	<u>7,652</u>	<u>(7,652)</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ 30,332,308</u>	<u>\$ 6,256,940</u>	<u>\$ 36,589,248</u>
Balance at January 1, 2021	\$ 30,332,308	\$ 6,256,940	\$ 36,589,248
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	215,801	28,500	244,301
Recognized in other comprehensive income			
Exchange differences on translating the financial statements of foreign operations	(759)	(1,726)	(2,485)
Purchases	3,035	-	3,035
Transfers into Level 3	-	9,531	9,531
Reclassified	<u>(24,707)</u>	<u>24,707</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 30,525,678</u>	<u>\$ 6,317,952</u>	<u>\$ 36,843,630</u>

The fair value measurement of undeveloped land located in Lin-Ya, Kaohsiung, was measured by land development analysis. The increase in estimated total selling price, the increase in rate of return, or the decrease in overall capital interest rate would result in an increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2021	2020
Estimated total selling price	<u>\$ 20,255,823</u>	<u>\$ 19,492,803</u>
Rate of return	20%	22%
Overall capital interest rate	5.19%	5.29%

The total selling price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2021	2020
Expected future cash inflows	\$ 36,612,955	\$ 36,137,274
Expected future cash outflows	<u>1,652,051</u>	<u>1,561,604</u>
Expected future cash inflows, net	<u>\$ 34,960,904</u>	<u>\$ 34,575,670</u>
Discount rate	1.97%-6.00%	1.98%-6.00%

The above fair value measurement has taken into consideration the uncertainty on the volatility in the markets due to the evolution of the COVID-19 pandemic.

The market rentals in the area where the investment properties are located were between \$1 thousand and \$5 thousand per ping (i.e., per 3.3 square meters).

The rental income generated for the years ended December 31, 2021 and 2020 was \$352,158 thousand and \$360,739 thousand, respectively.

The expected future cash inflows to be generated by investment properties include rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental contract, regional and market quotation, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the interest rate for one-year central bank-announced demand deposit interest rate; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows to be incurred by investment properties include expenditure such as land value taxes, house taxes, insurance premium, management costs, maintenance costs and others. These expenditures were extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, or estimated income capitalization rate, whichever is higher, as well as any asset-specific risk premiums. As of December 31, 2021 and 2020, the risk premiums were 0.38%-4.41% and 0.39%-4.41%, respectively.

Refer to Note 36 for the carrying amount of investment properties pledged by the Group as collaterals for borrowings.

18. INTANGIBLE ASSETS - GOODWILL

	2021	2020
<u>Cost</u>		
Balance at January 1	\$ 2,435,685	\$ 2,398,644
Effect of foreign currency exchange differences	<u>(13,024)</u>	<u>37,041</u>
Balance at December 31	<u>\$ 2,422,661</u>	<u>\$ 2,435,685</u>

The goodwill comprised of the following:

- a. In April 2014, SYDCCL acquired 100% ownership of SLCL. The investment cost in excess of the fair value of net identifiable assets of the investee was the amount of goodwill, which was RMB554,241 thousand.
- b. On December 31, 2014, the Corporation acquired control power over YLT. The investment cost in excess of the fair value of net identifiable assets of the investee was the amount of goodwill, which was \$20,780 thousand.

As of December 31, 2021 and 2020, the Group assessed that the recoverable amounts of the cash-generating units including the goodwill listed above were still higher than the related carrying amounts; thus, no impairment loss was recognized.

19. INTANGIBLE ASSETS - OTHERS

	Quarry Right	Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 6,302,904	\$ 266,705	\$ 414,502	\$ 6,984,111
Additions	452,872	3,325	-	456,197
Disposals	-	(58,907)	-	(58,907)
Transferred from completed construction	1,032	13,197	-	14,229
Disposal of subsidiary	-	(93)	-	(93)
Effect of foreign currency exchange differences	<u>104,054</u>	<u>1,389</u>	<u>1,374</u>	<u>106,817</u>
Balance at December 31, 2020	<u>6,860,862</u>	<u>225,616</u>	<u>415,876</u>	<u>7,502,354</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2020	2,057,778	236,459	88,201	2,382,438
Amortization expense	304,692	14,171	-	318,863
Disposals	-	(57,021)	-	(57,021)
Disposal of subsidiary	-	(46)	-	(46)
Effect of foreign currency exchange differences	<u>37,103</u>	<u>1,066</u>	<u>1,374</u>	<u>39,543</u>
Balance at December 31, 2020	<u>2,399,573</u>	<u>194,629</u>	<u>89,575</u>	<u>2,683,777</u>
Carrying amounts at December 31, 2020	<u>\$ 4,461,289</u>	<u>\$ 30,987</u>	<u>\$ 326,301</u>	<u>\$ 4,818,577</u>

(Continued)

	Quarry Right	Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2021	\$ 6,860,862	\$ 225,616	\$ 415,876	\$ 7,502,354
Additions	64,054	10,597	-	74,651
Disposals	(73,309)	(681)	-	(73,990)
Transferred from completed construction	58,143	4,500	-	62,643
Effect of foreign currency exchange differences	<u>(36,568)</u>	<u>(499)</u>	<u>(484)</u>	<u>(37,551)</u>
Balance at December 31, 2021	<u>6,873,182</u>	<u>239,533</u>	<u>415,392</u>	<u>7,528,107</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2021	2,399,573	194,629	89,575	2,683,777
Amortization expense	306,208	12,767	-	318,975
Disposals	(5,783)	(681)	-	(6,464)
Effect of foreign currency exchange differences	<u>(13,682)</u>	<u>(391)</u>	<u>(484)</u>	<u>(14,557)</u>
Balance at December 31, 2021	<u>2,686,316</u>	<u>206,324</u>	<u>89,091</u>	<u>2,981,731</u>
Carrying amounts at December 31, 2021	<u>\$ 4,186,866</u>	<u>\$ 33,209</u>	<u>\$ 326,301</u>	<u>\$ 4,546,376</u> (Concluded)

The above items of other intangible assets with finite useful lives are amortized on a straight-line basis. Quarry rights are amortized over 5 to 47 years and the computer software and others are amortized over 2 to 6 years. The other items with indefinite useful lives will not be amortized until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired.

According to the Plan for the Reform of the Mineral Resource Royalty System issued by the State Council of the People's Republic of China, proceeds from prospecting and mining rights shall be changed into proceeds from assignment of mining rights and shall be determined according to valuation and benchmark market prices under similar conditions, whichever is higher. The proceeds from the transfer of mining rights shall be determined at one time and paid in the form of monetary funds. The specific measures for payment shall be developed separately by the Ministry of Finance in conjunction with the Ministry of Land and Resources.

The Group finalized the independent valuation report in accordance with the aforementioned reform plans related to the mine reserves and the estimated amount of the provision of the mine reserve fund, which was capitalized into the cost of quarry. In addition, the Group was required to accrue the cost of production of the mine, which represented the quantity of the mine excavated times the agreed amount of unit cost for the current and past years, and such amount was charged on the cost of sales of the Group. As of December 31, 2021 and 2020, the fund payables of the mine reserve were both RMB299,724 thousand and were accounted for as accounts payable and accrued expenses - third parties, respectively.

20. OTHER NON-CURRENT ASSETS

	December 31	
	2021	2020
Prepaid investments	\$ 1,588,689	\$ 1,505,147
Net defined benefit assets	2,755,775	2,518,491
Refundable deposits	203,069	264,380
Others	<u>54,589</u>	<u>35,278</u>
	<u>\$ 4,602,122</u>	<u>\$ 4,323,296</u>
Refundable deposits		
Current (accounted for as other current assets)	<u>\$ 114,422</u>	<u>\$ 65,523</u>
Non-current	<u>\$ 203,069</u>	<u>\$ 264,380</u>

The prepaid investments comprised of the following:

- a. On March 23, 2017, the Corporation acquired 155 thousand issued shares of China Shanshui Investment Company Limited (CSI) in the amount of HK\$577,662 thousand from six shareholders of CSI under a share purchase agreement. The Corporation already obtained the physical share certificates of the acquired shares of CSI. Pursuant to the Articles of Association of CSI, the share ownership can only be recorded on the register of shareholders if the board of directors of CSI approves the share transfer. The Corporation has submitted all necessary documents to CSI for registration of the share transfer, among which the registration of shares of CSI acquired from two of the six shareholders were completed and the related prepaid investments in the balance sheets were therefore reclassified to financial assets at FVTOCI - non-current.

In addition, Chan Hongqing, a PRC individual, claimed that the shares of CSI which the Corporation acquired from the other four shareholders were pledged as collaterals under a loan contract signed with him on August 17, 2015 and thus applied for arbitration with China International Economic and Trade Arbitration Commission in Beijing. Later, according to an order of the High Court of Hong Kong announced on June 27, 2017, it requested the appointment of interim receivers in respect of the shares of CSI held by the four shareholders until the end of the arbitral proceedings. On May 17, 2018, the High Court of Hong Kong set aside the order before the final award of the arbitration. The arbitral proceeding was therefore withdrawn on June 12, 2018.

On October 2, 2018, Chan Hongqing applied to the High Court of Hong Kong for interlocutory relief in another proceedings against the Corporation to prohibit the Corporation and the four CSI shareholders from transferring and registering their CSI shares. The application for interlocutory relief was heard in the High Court of Hong Kong on April 3, 2019 and was dismissed by the High Court of Hong Kong on March 16, 2021. In view of this order, the registration of share transfer by CSI's board of directors will no longer be restricted to the above-mentioned application for interlocutory relief. On March 30, 2021, Chan Hongqing filed an appeal against the order made by the High Court of Hong Kong. However, the appeal had been rejected by the High Court of Hong Kong on September 23, 2020. Later, Chan Hongqing filed another appeal to Court of Appeal of Hong Kong on October 7, 2020. Both parties have submitted outlines of their arguments to the court. As of the date of the issue of consolidated financial statements, the Court of Appeal of Hong Kong has not yet made a judgment on the appeal.

- b. Chu Feng Power Corporation, Preparatory Office (Chu Feng) was founded in October 2016 by DCI, the Corporation's subsidiary, for the development of offshore wind power in Taiwan. As of December 31, 2021 and 2020, the accumulated prepaid investments were \$293,783 thousand and \$210,241 thousand, respectively. In March 2018, Chu Feng submitted an application to the Bureau of Energy, Ministry of Economic Affairs, ROC, for the offshore wind power project's selection but finally failed to win the tender offer. Later, on March 25, 2020, DCI's board of directors resolved to enter into a joint venture agreement with Innogy Renewables Beteiligungs GmbH Company ("Innogy"), which was under restructure and renamed as RWE Renewables Beteiligungs GmbH in August 2020, to further develop Chu Feng offshore wind project. As of December 31, 2021 and 2020, DCI has received advance receipt for investment from Innogy in the amount of \$150,000 thousand, which was accounted for as other non-current liabilities. In addition, the Group recognized the amounts paid within the preparatory period as other receivables or prepaid investments and also recognized full amounts of provisions based on the preparatory loss of Chu Feng; refer to Note 25.

21. SHORT-TERM BORROWINGS

	December 31	
	2021	2020
Unsecured	\$ 22,399,570	\$ 18,464,889
Secured	<u>1,300,000</u>	<u>750,000</u>
	<u>\$ 23,699,570</u>	<u>\$ 19,214,889</u>
Interest rate	0.79%-3.15%	0.78%-3.10%
Final repayment date:		
Unsecured	2022.12.20	2021.10.25
Secured	2022.3.11	2021.3.31

22. SHORT-TERM BILLS PAYABLE

	December 31	
	2021	2020
Commercial paper	\$ 27,894,900	\$ 13,888,400
Less: Unamortized discounts on bills payable	<u>7,819</u>	<u>6,452</u>
	<u>\$ 27,887,081</u>	<u>\$ 13,881,948</u>
Interest rate (%)	0.25%-1.25%	0.25%-1.21%

23. LONG-TERM LIABILITIES

	December 31	
	2021	2020
Bank loans	\$ 9,952,974	\$ 17,715,404
Bonds		
Domestic bonds		
1 st unsecured bonds issued in 2016	-	3,000,000
1 st unsecured bonds issued in 2019	6,500,000	6,500,000
2 nd unsecured bonds issued in 2019	3,500,000	3,500,000
1 st unsecured bonds issued in 2020	7,700,000	7,700,000
2 nd unsecured bonds issued in 2020-A	2,800,000	2,800,000
2 nd unsecured bonds issued in 2020-B	2,700,000	2,700,000
3 rd unsecured bonds issued in 2020-A	4,000,000	4,000,000
3 rd unsecured bonds issued in 2020-B	2,200,000	2,200,000
4 th unsecured bonds issued in 2020-A	4,100,000	4,100,000
4 th unsecured bonds issued in 2020-B	5,300,000	5,300,000
1 st unsecured bonds issued in 2021	6,300,000	-
	<u>45,100,000</u>	<u>41,800,000</u>
Overseas bonds		
3 rd Euro convertible bonds issued in 2018	31,854	6,370,305
	<u>55,084,828</u>	<u>65,885,709</u>
Less: Current portion	<u>2,902,645</u>	<u>16,140,876</u>
	<u>\$ 52,182,183</u>	<u>\$ 49,744,833</u>

- Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to April 3, 2039. The Group has signed long-term revolving credit facilities with banks. As of December 31, 2021 and 2020, interest rates were 0.67%-3.10% and 0.74%-3.30%, respectively.
- Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to December 23, 2027. As of December 31, 2021 and 2020, interest rates were both 0.57%-0.88%.
- In order to repay the debt, save interest expenses, and strengthen the Corporation's financial structure, on September 21, 2018, the Corporation issued US\$215,000 thousand (equivalent to NT\$6,620,710 thousand), which is the third zero coupon Euro convertible bond due on 2023.

The terms of the zero coupon Euro convertible bonds included the following:

1) Final redemption

Unless previously redeemed, repurchased and canceled, or converted, the Bonds will be redeemed on the maturity date at the settlement equivalent of 100.6% of the unpaid principal amount thereof.

- The bonds are convertible into the Corporation's ordinary shares ("Shares") at any time on or after December 21, 2018 and prior to the close of business on August 22, 2023. The initial conversion price was NT\$42.24 per Share, determined on the basis of a fixed exchange rate of NT\$30.794=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after September 21, 2021, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of the bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$30.794=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem in whole or in part of the bonds held by such holder on September 21, 2021 at a redemption price equal to the settlement equivalent of 101.81% of the principal amount in U.S. dollars. Any U.S. dollar denominated amount payable in respect of the bonds will be converted into NT dollars using a fixed exchange rate and then converted back to a U.S. dollar amount using the applicable prevailing rate at the time of redemption.

5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:

- a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
- b) Subdivision, consolidation and reclassification of Shares.
- c) Rights issues to shareholders.
- d) Employee share bonus.
- e) Warrants issued to holders of Shares.
- f) Issues of rights or warrants for equity-related securities to holders of Shares.
- g) Capital distributions, other distributions to shareholders.
- h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.
- i) Other issues of Shares.
- j) Issue of equity related securities.
- k) Capital reduction.
- l) Tender or exchange offer.
- m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$34.65 as of December 31, 2021.

- d. As of December 31, 2021, bondholders have converted the principal amount of US\$213,940 thousand (equivalent to NT\$6,588,068 thousand) of the 3rd Euro convertible bond into 184,125 thousand ordinary shares of the Corporation. After the conversion, the principal amount of the 3rd Euro convertible bond outstanding was US\$1,060 thousand (equivalent to NT\$32,642 thousand).
- e. On January 22, 2019, CHP signed the syndicated loan agreement with 10 banks, including Bank of Taiwan. CHP may borrow up to \$10,500,000 thousand under this loan agreement.

As of December 31, 2021, CHP's credit lines used were as follows:

Loan Item	Category	Amount (In Thousands)	Interest Rate	Contract Period
A	Loan	NT\$ 4,800,000	1.797%	20 years
C	Commercial paper	NT\$ 2,450,000	1.253%	139 days
D	Contract bonding	NT\$ 165,000	0.450%	365 days
D	Contract bonding	US\$ 2,202	0.450%	365 days

The financial commitment that should be maintained by CHP under the payment terms are as follows:

- 1) Debt ratio as of year-end (total debt divided by total equity);
 - a) Under 200% from 2019 to 2023.
 - b) Under 150% from 2024 to 2039.
- 2) Interest coverage ratio should be at least 150% from 2019 to 2039.

The above financial ratios are based on audited financial statements. Debt ratio and interest coverage ratio should be reviewed at least on annual basis.

24. DEFERRED REVENUE

	December 31	
	2021	2020
Land use right	\$ 654,582	\$ 722,667
Others	<u>117,399</u>	<u>125,226</u>
	<u>\$ 771,981</u>	<u>\$ 847,893</u>
Current	\$ 75,912	\$ 75,912
Non-current	<u>696,069</u>	<u>771,981</u>
	<u>\$ 771,981</u>	<u>\$ 847,893</u>

- a. The deferred revenue on land use rights in Lin-Ya, Kaohsiung granted to FEDSDL (Note 17) is amortized to income over 50 years on a straight-line basis.
- b. The deferred revenue on land use rights of Taipei Metro granted to YDC (Note 17) is amortized to income over 30 years on a straight-line basis.

25. PROVISIONS

	December 31	
	2021	2020
Preparatory costs provisions (Note 20)	\$ 318,143	\$ 260,080
Decommissioning of electric factory provisions	435,463	384,216
Accrued reward provisions	82,511	132,511
Compensation of traffic accident provisions	159,399	143,707
Other provisions (Note 37)	<u>107,022</u>	<u>47,240</u>
	<u>\$ 1,102,538</u>	<u>\$ 967,754</u>
Current	\$ 74,782	\$ 52,000
Non-current	<u>1,027,756</u>	<u>915,754</u>
	<u>\$ 1,102,538</u>	<u>\$ 967,754</u>

26. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and the subsidiaries in the ROC adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at specific rate of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation and domestic subsidiaries in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months or last month before retirement. The Corporation and domestic subsidiaries contribute amounts equal to 2%-15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ 1,181,570	\$ 1,258,766
Fair value of plan assets	<u>(3,806,396)</u>	<u>(3,604,068)</u>
Deficit (surplus)	<u>(2,624,826)</u>	<u>(2,345,302)</u>
Net defined benefit liabilities (asset)	<u>\$ (2,624,826)</u>	<u>\$ (2,345,302)</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2020	\$ 1,296,487	\$ (3,668,667)	\$ (2,372,180)
Service cost			
Current service cost	14,752	-	14,752
Past service cost and gain on settlements	(552)	-	(552)
Net interest expense (income)	<u>11,716</u>	<u>(35,805)</u>	<u>(24,089)</u>
Recognized in profit or loss	<u>25,916</u>	<u>(35,805)</u>	<u>(9,889)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	32,727	32,727
Actuarial loss - changes in demographic assumptions	328	-	328
Actuarial loss - changes in financial assumptions	32,222	-	32,222
Actuarial loss - experience adjustments	<u>11,238</u>	<u>-</u>	<u>11,238</u>
Recognized in other comprehensive income	<u>43,788</u>	<u>32,727</u>	<u>76,515</u>
Contributions from the employer	-	(14,512)	(14,512)
Benefits paid	<u>(107,425)</u>	<u>82,189</u>	<u>(25,236)</u>
Balance at December 31, 2020	<u>\$ 1,258,766</u>	<u>\$ (3,604,068)</u>	<u>\$ (2,345,302)</u>
Balance at January 1, 2021	\$ 1,258,766	\$ (3,604,068)	\$ (2,345,302)
Service cost			
Current service cost	14,287	-	14,287
Past service cost and gain on settlements	(1,794)	-	(1,794)
Net interest expense (income)	<u>7,467</u>	<u>(25,664)</u>	<u>(18,197)</u>
Recognized in profit or loss	<u>19,960</u>	<u>(25,664)</u>	<u>(5,704)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(204,194)	(204,194)
Actuarial loss - changes in demographic assumptions	950	-	950
Actuarial loss - changes in financial assumptions	22,002	-	22,002
Actuarial gain - experience adjustments	<u>(38,698)</u>	<u>-</u>	<u>(38,698)</u>
Recognized in other comprehensive income	<u>(15,746)</u>	<u>(204,194)</u>	<u>(219,940)</u>
Contributions from the employer	-	(25,259)	(25,259)
Benefits paid	<u>(81,410)</u>	<u>52,789</u>	<u>(28,621)</u>
Balance at December 31, 2021	<u>\$ 1,181,570</u>	<u>\$ (3,806,396)</u>	<u>\$ (2,624,826)</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rates	0.55%-0.70%	0.20%-0.90%
Expected rates of salary increase	2.00%-2.50%	2.00%-2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rate		
0.25% increase	\$ (23,517)	\$ (26,002)
0.25% decrease	\$ 24,252	\$ 26,849
Expected rate of salary increase/decrease		
1% increase	\$ 97,480	\$ 108,245
1% decrease	\$ (90,690)	\$ (110,528)

The major categories of plan assets at the end of the reporting period are disclosed based on the information announced by the Bureau:

	December 31	
	2021	2020
Equity instruments	76.39	80.27
Deposited in financial institutions	15.43	11.00
Others	8.18	8.73
	<u>100.00</u>	<u>100.00</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
Expected contributions to the plan for the next year	\$ 22,915	\$ 10,601
Average duration of the defined benefit obligation	3.4-10.0 years	4.0-10.2 years

27. EQUITY

a. Share capital

	December 31	
	2021	2020
Number of shares authorized (in thousands)	4,000,000	4,000,000
Shares authorized	\$ 40,000,000	\$ 40,000,000
Number of shares issued and fully paid (in thousands)	3,545,572	3,361,447
Shares issued	\$ 35,455,721	\$ 33,614,472

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The total of 350,000 thousand and 10,000 thousand shares of the Corporation's authorized shares are reserved for the issuance of convertible bonds and employee share option, respectively.

The changes in the number of issued shares of the Corporation was due to the conversion of the convertible bond.

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Donation	\$ 41,790	\$ 41,790
Conversion of bonds	4,681,389	-
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	56,000	55,325
Change of capital surplus of associates and joint ventures accounted for using the equity method (2)	979,032	992,530
	<u>5,758,211</u>	<u>1,089,645</u>
<u>May be used to offset a deficit only</u>		
Change of capital surplus of associates and joint ventures accounted for using the equity method (3)	<u>162,274</u>	<u>128,456</u>
<u>May not be used for any purpose</u>		
Share warrants	915	185,411
Change of capital surplus of associates and joint ventures accounted for using the equity method	64,939	89,072
	<u>65,854</u>	<u>274,483</u>
	<u>\$ 5,986,339</u>	<u>\$ 1,492,584</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

- 2) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from actual acquisition and disposal of equity may be used to offset a deficit or distributed as cash dividends or share dividends under Article 241-1 of Company Act.
- 3) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from equity transactions other than actual acquisition and disposal may be used to offset a deficit under Article 239-1 of Company Act.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), apart from paying all its income taxes in the case where there are net incomes at the end of the year, the Corporation shall make up for accumulated losses in past years. Where there is still balance, the Corporation shall set aside 10% of the sum of said profit in balance and the amount of profit (or loss) items adjusted to the current year's undistributed earnings other than the said profit as legal reserve and a special reserve as required by law. Subject to certain business conditions under which the Corporation may retain a portion of the remaining balance, the Corporation may distribute to the shareholders the remainder together with undistributed profits from previous years in proportion to the number of the shares held by each shareholder as shareholders' dividend. However, in the case of increase in the Corporation's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 29(f).

The distribution of shareholders' dividend shall take into consideration the changes in the outlook of the Corporation's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed with the aim of maintaining stable shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than 50% of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the total shareholders' dividend distributed in the same year.

These appropriations shall be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Pursuant to existing regulations, the Corporation is required to set aside additional special reserve equivalent to the net debit balance of the other equity interests and the net increase arising from the fair value measurement of investment properties. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses, the cumulative net increases in fair value decrease or on disposal of investment properties and is thereafter distributed.

The appropriation of earnings and dividends per share for 2020 and 2019 were approved in the shareholders' meetings on July 23, 2021 and June 23, 2020, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2020	2019
Legal reserve	\$ 1,310,348	\$ 1,745,968
Special reserve	\$ 1,209,096	\$ 804,347
Cash dividends	\$ 11,933,138	\$ 10,084,341
Cash dividends per share (NT\$)	\$ 3.55	\$ 3.0
	(Note)	

Note: Due to the conversion of the Corporation's 3rd Euro convertible bond into ordinary shares, the number of outstanding ordinary shares increased accordingly. Therefore, the cash dividend was adjusted to NT\$3.46283787 per ordinary share.

The appropriation of earnings for 2021 had been proposed by the Corporation's board of directors on March 8, 2022. The proposed appropriation of earnings and dividend per share were as follows:

	For the Year Ended December 31, 2021
Legal reserve	\$ 1,534,939
Special reserve	\$ 411,137
Cash dividends	\$ 12,054,945
Cash dividends per share (NT\$)	\$ 3.4

Assuming that the shares reciprocally held by associates were not treated as treasury shares and not deducted from weighted average number of shares outstanding, the basic EPS would be NT\$4.25 for the year ended December 31, 2021.

The appropriations of earnings for 2021 are subject to the resolution of the shareholders' meeting to be held on June 29, 2022.

d. Special reserve recognized at the date of transition

In the first-time adoption of IFRSs, the amounts of adjusted unrealized revaluation increments, cumulative translation adjustments and unappropriated earnings recognized from the investment properties of associates which used fair value as deemed cost were \$10,715,430 thousand, \$3,163,258 thousand and \$52,494 thousand, respectively; the Corporation appropriated the amounts to special reserve.

In addition, on the initial application of the fair value model to investment properties, the Corporation appropriated to special reserve the amount of the net increase in fair value of investment properties and transferred it to retained earnings. Additional special reserve should be appropriated for subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties.

The Group and its associates used and disposed of some of the related assets; accordingly, special reserve reversed to unappropriated earnings amounted to \$548,152 thousand as of December 31, 2021.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (6,108,955)	\$ (5,913,201)
Exchange differences on translating the financial statements of foreign operations	(403,233)	606,954
Share of exchange difference of associates and joint ventures accounted for using the equity method	<u>(899,687)</u>	<u>(802,708)</u>
Balance at December 31	<u>\$ (7,411,875)</u>	<u>\$ (6,108,955)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 6,414,159	\$ 7,908,323
Unrealized gain (loss) - equity instruments	275,290	(976,509)
Share from associates and joint ventures accounted for using the equity method		
Equity instruments	308,696	(542,950)
Debt instruments	(38,463)	27,885
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(31,614)</u>	<u>(2,590)</u>
Balance at December 31	<u>\$ 6,928,068</u>	<u>\$ 6,414,159</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 55,833	\$ 52,141
Share from associates and joint ventures accounted for using the equity method	<u>1,908</u>	<u>3,692</u>
Balance at December 31	<u>\$ 57,741</u>	<u>\$ 55,833</u>

4) Gains on property revaluation

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 716,970	\$ 385,214
Share from associates and joint ventures accounted for using the equity method	194,724	331,756
Share from the disposal of associate accounted for using the equity method	<u>(516)</u>	<u>-</u>
Balance at December 31	<u>\$ 911,178</u>	<u>\$ 716,970</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 22,118,393	\$ 23,381,680
Attributable to non-controlling interests:		
Share in profit for the year	2,459,549	4,063,321
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign operations	(132,810)	278,871
Unrealized gain (loss) on financial assets at FVTOCI	327	(1,749)
Remeasurement on defined benefit plans	1,143	(1,137)
Related income tax	(245)	240
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	44,642	(10,650)
Share of other changes in equity of associates and joint ventures accounted for using the equity method	\$ 7	\$ -
Acquisition of non-controlling interests in subsidiaries (Note 32)	(2,499)	(3,966,552)
Changes in percentage of ownership interests in subsidiaries	-	20,704
Cash dividends from subsidiaries	<u>(1,142,544)</u>	<u>(1,646,335)</u>
Balance at December 31	<u>\$ 23,345,963</u>	<u>\$ 22,118,393</u>

28. OPERATING REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2021	2020
Operating revenue		
Sales of goods	\$ 77,439,611	\$ 69,172,659
Electric power revenue	7,739,370	5,254,644
Transportation revenue	2,024,572	1,755,931
Rental revenue	1,099,168	1,089,922
Engineering revenue	440,290	267,213
Income from investments		
Sale of investments	4,240,333	2,004,673
Cost of investments sold	<u>(3,701,584)</u>	<u>(1,698,130)</u>
Gain on sale of investments, net	538,749	306,543
Dividends	<u>402,388</u>	<u>452,457</u>
Total income from investments	941,137	759,000
Less: Sales returns and discounts	<u>(29,435)</u>	<u>(58,489)</u>
Total operating revenue, net	<u>\$ 89,654,713</u>	<u>\$ 78,240,880</u>

b. Contract balances

	For the Year Ended December 31	
	2021	2020
Contract assets	<u>\$ 188,287</u>	<u>\$ 98,607</u>
Contract liabilities	<u>\$ 1,046,223</u>	<u>\$ 1,117,842</u>

The changes in the balance of contract assets and contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

29. NET PROFIT

Net profit was as follows:

a. Other income

	For the Year Ended December 31	
	2021	2020
Dividends	\$ 337,937	\$ 334,024
Government grants	113,888	417,006
Others	<u>222,695</u>	<u>248,526</u>
	<u>\$ 674,520</u>	<u>\$ 999,556</u>

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net loss on financial assets and liabilities designated as at FVTPL	\$ (256,468)	\$ (240,993)
Gain on changes in fair value of investment properties (Note 17)	244,301	237,856
Impairment loss recognized on investments accounted for using the equity method	(231,725)	-
Net foreign exchange losses	(161,955)	(162,371)
Impairment loss recognized on right-of-use assets	(118,569)	-
Bank charges	(71,561)	(133,728)
Impairment loss recognized on property, plant and equipment	(71,411)	(13,212)
Preparatory costs (Note 20)	(58,063)	(23,899)
Loss on disposal of subsidiary (Note 13)	-	(58,871)
Penalties (Note 38)	(983,519)	-
Miscellaneous expenses	<u>(949,925)</u>	<u>(691,715)</u>
	<u>\$ (2,658,895)</u>	<u>\$ (1,086,933)</u>

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 878,998	\$ 1,131,684
Amortization of discount on bonds payable	54,000	89,497
Interest on lease liabilities	35,690	47,564
Other interest expense	-	2,339
Less: Amounts included in the cost of qualifying assets (capitalized interest)	<u>(74,362)</u>	<u>(107,439)</u>
	<u>\$ 894,326</u>	<u>\$ 1,163,645</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest	\$ <u>74,362</u>	\$ <u>107,439</u>
Capitalization rate	0.653%-1.797%	0.652%-1.797%

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 4,369,040	\$ 4,169,535
Operating expenses	236,766	453,679
Non-operating expenses	<u>5,257</u>	<u>5,474</u>
	<u>\$ 4,611,063</u>	<u>\$ 4,628,688</u>
An analysis of amortization by function		
Operating costs	\$ 248,467	\$ 280,040
Operating expenses	<u>70,508</u>	<u>38,823</u>
	<u>\$ 318,975</u>	<u>\$ 318,863</u>

e. Employee benefits expense

	For the Year Ended December 31, 2021			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 26)				
Defined contribution plans	\$ 177,865	\$ 42,682	\$ 403	\$ 220,950
Defined benefit plans	(1,999)	(3,705)	-	(5,704)
Short-term benefits				
Salary	3,323,842	925,382	9,526	4,258,750
Remuneration of directors	-	195,833	-	195,833
Labor and health insurance	189,907	49,106	494	239,507
Other employees - related expenses	156,895	104,871	-	261,766
Termination benefits	<u>-</u>	<u>-</u>	<u>529</u>	<u>529</u>
Total employee benefits expense	<u>\$ 3,846,510</u>	<u>\$ 1,314,169</u>	<u>\$ 10,952</u>	<u>\$ 5,171,631</u>
	For the Year Ended December 31, 2020			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 26)				
Defined contribution plans	\$ 54,381	\$ 26,684	\$ -	\$ 81,065
Defined benefit plans	(4,662)	(5,227)	-	(9,889)
Short-term benefits				
Salary	3,043,658	1,031,890	8,025	4,083,573
Remuneration of directors	-	188,946	-	188,946
Labor and health insurance	155,213	46,073	-	201,286
Other employees - related expenses	132,893	102,366	-	235,259
Termination benefits	<u>-</u>	<u>-</u>	<u>2,268</u>	<u>2,268</u>
Total employee benefits expense	<u>\$ 3,381,483</u>	<u>\$ 1,390,732</u>	<u>\$ 10,293</u>	<u>\$ 4,782,508</u>

f. Employees' compensation and remuneration of directors

According to the Corporation's Articles, the Corporation accrued employees' compensation and remuneration of directors at the rates between 0.1% and 4% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020, which have been approved by the Corporation's board of directors on March 8, 2022 and March 25, 2021, respectively, were as follows:

	For the Year Ended December 31			
	2021		2020	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 185,109	\$ -	\$ 189,834	\$ -
Remuneration of directors	161,970	-	166,104	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors at the Market Observation Post System website of the Taiwan Stock Exchange.

30. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 3,832,068	\$ 4,655,164
Income tax on unappropriated earnings	8,594	268,298
Withholding tax on dividend	190,337	539,746
Adjustments for prior years	433,094	(17,583)
	<u>4,464,093</u>	<u>5,445,625</u>
Deferred tax		
In respect of the current year	<u>(57,950)</u>	<u>(75,549)</u>
Income tax expense recognized in profit or loss	<u>\$ 4,406,143</u>	<u>\$ 5,370,076</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	<u>\$ 21,933,913</u>	<u>\$ 24,143,883</u>
Income tax expense calculated at the statutory rate	\$ 4,386,783	\$ 4,828,777
Nondeductible expenses in determining taxable income	353,017	241,219
Tax-exempt income	(1,181,948)	(817,463)
Unrecognized temporary differences	236,945	100,545
Tax on changes in fair value of investment properties	49,060	19,150
Unrecognized loss carryforwards	(20,277)	21,834
Investment credits	-	(34,825)
Effect of different tax rate of the Group operating in other jurisdictions	44,540	335,165
Income tax on unappropriated earnings	8,594	268,298
Additional income tax under the Alternative Minimum Tax Act	36,248	3,075
Withholding tax on dividend	190,337	539,746
Adjustments for prior years' tax	433,094	(17,583)
Tax credit - income from sources in Mainland China	<u>(130,250)</u>	<u>(117,862)</u>
Income tax expense recognized in profit or loss	<u>\$ 4,406,143</u>	<u>\$ 5,370,076</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plans	<u>\$ 39,553</u>	<u>\$ (12,386)</u>

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	<u>\$ 73,780</u>	<u>\$ 9,434</u>
Current tax liabilities		
Income tax payable	<u>\$ 2,414,410</u>	<u>\$ 2,954,930</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 367,620	\$ (16,754)	\$ -	\$ (1,943)	\$ 348,923
Defined benefit obligation	26,281	-	(440)	-	25,841
Other financial assets and liabilities	86,311	(76,594)	-	-	9,717
Investment properties	23,013	139	-	(125)	23,027
Property, plant and equipment	2,376	(1,094)	-	152	1,434
Intangible assets	-	264,035	-	(645)	263,390
Others	<u>119,516</u>	<u>65,806</u>	<u>-</u>	<u>(698)</u>	<u>184,624</u>
	625,117	235,538	(440)	(3,259)	856,956
Tax losses	<u>65,588</u>	<u>(29,691)</u>	<u>-</u>	<u>(1,502)</u>	<u>34,395</u>
	<u>\$ 690,705</u>	<u>\$ 205,847</u>	<u>\$ (440)</u>	<u>\$ (4,761)</u>	<u>\$ 891,351</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 3,449,871	\$ -	\$ -	\$ -	\$ 3,449,871
Investment properties	3,123,463	49,199	-	-	3,172,662
Unappropriated earnings of subsidiaries and associates	2,357,237	172,563	-	(2,424)	2,527,376
Finance leases	570,347	(41,627)	-	-	528,720
Defined benefit obligation	461,820	8,037	39,113	-	508,970
Associates	53,456	(3,053)	-	(281)	50,122
Property, plant and equipment	46,268	12,630	-	(310)	58,588
Provisions	51,780	(50,293)	-	(1,487)	-
Allowance for impairment loss	<u>1,075</u>	<u>441</u>	<u>-</u>	<u>-</u>	<u>1,516</u>
	<u>\$ 10,115,317</u>	<u>\$ 147,897</u>	<u>\$ 39,113</u>	<u>\$ (4,502)</u>	<u>\$ 10,297,825</u>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 251,095	\$ 110,778	\$ -	\$ 5,747	\$ 367,620
Defined benefit obligation	25,516	-	765	-	26,281
Other financial assets and liabilities	12,747	73,564	-	-	86,311
Investment properties	5,464	17,180	-	369	23,013
Property, plant and equipment	4,205	(1,935)	-	106	2,376
Others	<u>100,120</u>	<u>17,662</u>	<u>-</u>	<u>1,734</u>	<u>119,516</u>
	399,147	217,249	765	7,956	625,117
Tax losses	<u>75,782</u>	<u>(9,193)</u>	<u>-</u>	<u>(1,001)</u>	<u>65,588</u>
	<u>\$ 474,929</u>	<u>\$ 208,056</u>	<u>\$ 765</u>	<u>\$ 6,955</u>	<u>\$ 690,705</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 3,449,871	\$ -	\$ -	\$ -	\$ 3,449,871
Investment properties	3,087,133	36,330	-	-	3,123,463
Unappropriated earnings of subsidiaries and associates	2,294,123	61,024	-	2,090	2,357,237
Finance leases	599,026	(28,679)	-	-	570,347
Defined benefit obligation	465,933	7,508	(11,621)	-	461,820
Associates	55,652	(3,012)	-	816	53,456
Property, plant and equipment	39,684	6,584	-	-	46,268
Provisions	-	51,677	-	103	51,780
Allowance for impairment loss	<u>-</u>	<u>1,075</u>	<u>-</u>	<u>-</u>	<u>1,075</u>
	<u>\$ 9,991,422</u>	<u>\$ 132,507</u>	<u>\$ (11,621)</u>	<u>\$ 3,009</u>	<u>\$ 10,115,317</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	2021	2020
Loss carryforwards		
Expire in 2021	\$ -	\$ 222,721
Expire in 2022	111,081	297,567
Expire in 2023	82,057	82,353
Expire in 2024	75,241	75,332
Expire in 2025	319,093	319,198
Expire in 2026	18,448	-
Expire in 2029	13,189	13,189
Expire in 2030	53,020	49,433
Expire in 2031	5,692	-
No expiration	<u>69,456</u>	<u>5,250</u>
	<u>\$ 747,277</u>	<u>\$ 1,065,043</u>

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2021 comprised the following:

Unused Amount	Expiry Year
\$ 111,081	2022
82,057	2023
75,241	2024
319,093	2025
18,448	2026
42,227	2029
53,020	2030
5,692	2031
<u>237,620</u>	No expiration
<u>\$ 944,479</u>	

g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2021 and 2020, the taxable temporary differences associated with investments in subsidiaries and associates for which no deferred tax liabilities have been recognized were \$9,522,027 thousand and \$8,808,648 thousand, respectively.

h. The latest years of income tax returns which had been assessed and cleared by the tax authorities were as follows:

Company	Year
The Corporation	2019
DCI	2019
YTRMC	2019
YSRMC	2019
FMT	2019
AEE	2019
AIC	2018
FDT	2019
YLPPC	2019
FSMS	2019
NHC	2019
CHP	2019
YLSS	2019
YLT	2019

31. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share	<u>\$ 4.70</u>	<u>\$ 4.70</u>
Diluted earnings per share	<u>\$ 4.57</u>	<u>\$ 4.41</u>

The earnings and weighted average number of ordinary shares outstanding used for the earnings per share computation were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2021	2020
Profit for the period attributable to owners of the Corporation	\$ 15,068,221	\$ 14,710,486
Effect of potentially dilutive ordinary shares:		
Convertible bonds	<u>93,952</u>	<u>(88,804)</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 15,162,173</u>	<u>\$ 14,621,682</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	3,203,972	3,129,384
Effect of potentially dilutive ordinary shares:		
Employees' compensation	5,119	5,931
Convertible bonds	<u>106,012</u>	<u>178,408</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,315,103</u>	<u>3,313,723</u>

The weighted average number of ordinary shares used in the computation of basic earnings per share is the weighted average outstanding shares after subtracting the shares of the Corporation held by the associates treated as treasury shares.

When an entity pays employee compensation that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation will be settled in shares, and the resulting potential shares shall be included in diluted earnings per share if the effect is dilutive. The number of shares is estimated by dividing the entire amount of the compensation by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

From March to December 2021 and from April to December 2020, the Group acquired additional non-controlling interests in subsidiaries, and increased its continuing interest in these subsidiaries; refer to Note 13.

The above transactions were accounted for as equity transactions, since it did not have effect on the Group's control over these subsidiaries.

	2021						
	ACSPL	CHP	YTRMC	YLPPC	FMT	AEE	Total
Consideration paid	\$ (1,320)	\$ (486)	\$ (1)	\$ (18)	\$ (3)	\$ (10)	\$ (1,838)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>1,462</u>	<u>1,009</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>2,499</u>
Differences recognized from equity transactions	<u>\$ 142</u>	<u>\$ 523</u>	<u>\$ (1)</u>	<u>\$ 10</u>	<u>\$ (3)</u>	<u>\$ (10)</u>	<u>\$ 661</u>
Line items adjusted for equity transactions							
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ 142	\$ 523	\$ -	\$ 10	\$ -	\$ -	\$ 675
Retained earnings	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>(10)</u>	<u>(14)</u>
	<u>\$ 142</u>	<u>\$ 523</u>	<u>\$ (1)</u>	<u>\$ 10</u>	<u>\$ (3)</u>	<u>\$ (10)</u>	<u>\$ 661</u>
	2020						
	CHP	YLT	AEE	DCI	FMT	YLPPC	
Consideration paid	\$ (5,382,073)	\$ (2,902)	\$ (2,759)	\$ (777)	\$ (1,757)	\$ (101)	
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>3,957,254</u>	<u>2,854</u>	<u>2,714</u>	<u>1,141</u>	<u>1,762</u>	<u>107</u>	
Differences recognized from equity transactions	<u>\$ (1,424,819)</u>	<u>\$ (48)</u>	<u>\$ (45)</u>	<u>\$ 364</u>	<u>\$ 5</u>	<u>\$ 6</u>	
Line items adjusted for equity transactions							
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ -	\$ -	\$ -	\$ 364	\$ 5	\$ 6	
Retained earnings	<u>(1,424,819)</u>	<u>(48)</u>	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>\$ (1,424,819)</u>	<u>\$ (48)</u>	<u>\$ (45)</u>	<u>\$ 364</u>	<u>\$ 5</u>	<u>\$ 6</u>	
	NHC	YTRMC	YSRMC	FDT	JYLTC	Total	
Consideration paid	\$ (113)	\$ (8)	\$ (26)	\$ (521)	\$ (17)	\$ (5,391,054)	
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>116</u>	<u>-</u>	<u>31</u>	<u>556</u>	<u>17</u>	<u>3,966,552</u>	
Differences recognized from equity transactions	<u>\$ 3</u>	<u>\$ (8)</u>	<u>\$ 5</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (1,424,502)</u>	

(Continued)

	NHC	YTRMC	YSRMC	FDT	JYLTC	Total
Line items adjusted for equity transactions						
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ 3	\$ -	\$ 5	\$ 35	\$ -	\$ 418
Retained earnings	-	(8)	-	-	-	(1,424,920)
	<u>\$ 3</u>	<u>\$ (8)</u>	<u>\$ 5</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (1,424,502)</u>
						(Concluded)

33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 45,131,854	\$ 45,301,069	\$ -	\$ -	\$ 45,301,069

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 48,170,305	\$ 49,777,749	\$ -	\$ -	\$ 49,777,749

b. Fair values of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 5,322,242	\$ -	\$ -	\$ 5,322,242
Beneficiary certificates	1,887,397	645,682	16,373,974	18,907,053
Convertible options	<u>-</u>	<u>-</u>	<u>466</u>	<u>466</u>
	<u>\$ 7,209,639</u>	<u>\$ 645,682</u>	<u>\$ 16,374,440</u>	<u>\$ 24,229,761</u>
<u>Financial assets at FVTOCI</u>				
Domestic listed shares	\$ 12,793,243	\$ -	\$ -	\$ 12,793,243
Domestic unlisted shares	-	-	1,815,326	1,815,326
Overseas listed shares	27,279	-	-	27,279
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>399,747</u>	<u>399,747</u>
	<u>\$ 12,820,522</u>	<u>\$ -</u>	<u>\$ 2,215,073</u>	<u>\$ 15,035,595</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 5,458,496	\$ -	\$ -	\$ 5,458,496
Beneficiary certificates	1,088,908	623,785	7,598,877	9,311,570
Convertible options	<u>-</u>	<u>-</u>	<u>94,743</u>	<u>94,743</u>
	<u>\$ 6,547,404</u>	<u>\$ 623,785</u>	<u>\$ 7,693,620</u>	<u>\$ 14,864,809</u>
<u>Financial assets at FVTOCI</u>				
Domestic listed shares	\$ 13,146,399	\$ -	\$ -	\$ 13,146,399
Domestic unlisted shares	-	-	1,691,106	1,691,106
Overseas listed shares	150,110	-	-	150,110
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>393,107</u>	<u>393,107</u>
	<u>\$ 13,296,509</u>	<u>\$ -</u>	<u>\$ 2,084,213</u>	<u>\$ 15,380,722</u>
<u>Financial liabilities at FVTPL</u>				
Cross-currency swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,693</u>	<u>\$ 425,693</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	Financial Assets at FVTPL			Financial Assets at FVTOCI	
	Derivatives		Non-Derivatives	Equity Instruments	Total
	Financial Assets	Financial Liabilities	Instruments		
Balance at January 1, 2021	\$ 94,743	\$ (425,693)	\$ 7,598,877	\$ 2,084,213	\$ 9,352,140
Recognized in profit or loss					
Net loss on financial instruments at FVTPL	(39,968)	(253,257)	(270,903)	-	(564,128)
Recognized in other comprehensive income					
Unrealized gain on financial instruments at FVTOCI	-	-	-	123,468	123,468
Purchase	-	-	9,046,000	7,392	9,053,392
Convertible bonds converted to ordinary shares	(54,309)	-	-	-	(54,309)
Settlement	-	678,950	-	-	678,950
Balance at December 31, 2021	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ 16,373,974</u>	<u>\$ 2,215,073</u>	<u>\$ 18,589,513</u>
	Financial Assets at FVTPL			Financial Assets at FVTOCI	
	Derivatives		Non-Derivatives	Equity Instruments	Total
	Financial Assets	Financial Liabilities	Instruments		
Balance at January 1, 2020	\$ -	\$ (112,070)	\$ -	\$ 2,219,586	\$ 2,107,516
Recognized in profit or loss					
Net gain (loss) on financial instruments at FVTPL	94,743	(313,623)	(214,023)	-	(432,903)
Recognized in other comprehensive income					
Unrealized loss on financial assets at FVTOCI	-	-	-	(135,373)	(135,373)
Purchase	-	-	7,812,900	-	7,812,900
Balance at December 31, 2020	<u>\$ 94,743</u>	<u>\$ (425,693)</u>	<u>\$ 7,598,877</u>	<u>\$ 2,084,213</u>	<u>\$ 9,352,140</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Mutual funds	The Group uses net asset value as the basis to determine the fair value as the Group has determined that the net asset value of the mutual fund represents fair value at the end of the reporting period.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

- The fair values of convertible bond options are determined using the information available from the counterparty for valuation based on the option pricing model. The option pricing model incorporates the present value techniques and reflects both the time value and the intrinsic value of options.
- The fair value of cross currency swap contracts is determined using the information available from the counterparty for valuation. The counterparty measures the fair value of a cross currency swap contracts using the discounted cash flows model. Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward rates and discounted at rates that reflect the credit risk of various counterparties.

- c) The fair values of unlisted shares are determined by using the asset approach or the market approach. In the asset approach, the fair values are estimated by using the net asset value measured at fair value based on the unlisted investees' latest financial statements, while taking into account the liquidity discount and non-controlling interest discount. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies with similar industrial and business characteristics and liquidity discount are considered.
- d) The fair values of beneficiary certificates are determined by using the asset approach. In the asset approach, the fair values are estimated by using the net asset values measured at fair value based on the funds' latest financial statements.

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 24,229,761	\$ 14,864,809
Financial assets at amortized cost (1)	82,864,775	67,061,789
Financial assets at FVTOCI	15,035,595	15,380,722
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	-	425,693
Financial liabilities at amortized cost (2)	119,214,129	108,685,604

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and finance lease receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term and long-term borrowings, short-term bills payable, trade payables and accrued expenses, and bonds payable.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Corporation's board of directors, which provides written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into cross-currency swap contracts to mitigate its exposure to foreign currency risk and interest risk.

a) Foreign currency risk

Several subsidiaries of the Corporation have foreign currency sales and purchases and foreign currency financing activities, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the RMB and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items less notional amounts of cross-currency swap. The analysis assumed a 5% change in foreign currency rates at the end of the reporting period. A positive number below indicates an increase in pre-tax profit assuming the New Taiwan dollars weakened by 5% against the relevant currency. For a 5% strengthening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances shown below would be negative.

	RMB Impact		USD Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
Increase (decrease) in pre-tax profit	\$ 91,507	\$ 87,704	\$ 303,652	\$ 518,878

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using cross currency swap contracts.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to changes in interest rates at the end of the reporting period were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 18,158,942	\$ 18,929,599
Financial liabilities	94,686,365	78,458,021
Cash flow interest rate risk		
Financial assets	29,591,561	23,251,722
Financial liabilities	13,256,840	21,905,450

Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to changes in interest rates of non-derivative instruments at the end of the reporting period.

If interest rates had been 0.01% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$884 thousand and \$(247) thousand, respectively, mainly due to the Group's exposure to changes in interest rates of its variable-rate bank borrowings and bank deposits.

c) Other price risk

The Group is exposed to price risk through its investments in listed equity securities and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to investment position price risks at the end of the reporting period.

If investment position prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$242,293 thousand and \$147,701 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by \$128,205 thousand and \$132,965 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group is equal to the carrying amount of the financial assets as stated in the balance sheets. The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties in trade receivables consist of a large number of clients in different industries and regions. The Group evaluates clients' financial condition continuously.

Credit risk represents the potential negative impact on the financial assets of the Group if counterparties or third parties breach the contracts. The Group evaluates credit risk exposure on contracts with positive carrying amounts. The Group evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions and companies with good credit ratings.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) Liquidity and interest rate tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 5,766,048	\$ 3,779,222	\$ 1,406,360	\$ 1,518,335	\$ 72,685
Lease liabilities	18,062	36,123	162,558	564,977	890,218
Variable interest rate liabilities	-	3,390,000	5,286,160	796,640	3,784,040
Fixed interest rate liabilities	<u>29,509,578</u>	<u>12,260,663</u>	<u>4,042,895</u>	<u>37,401,503</u>	<u>10,200,000</u>
	<u>\$ 35,293,688</u>	<u>\$ 19,466,008</u>	<u>\$ 10,897,973</u>	<u>\$ 40,281,455</u>	<u>\$ 14,946,943</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 216,743</u>	<u>\$ 564,977</u>	<u>\$ 255,169</u>	<u>\$ 188,549</u>	<u>\$ 145,858</u>	<u>\$ 300,642</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 3,808,419	\$ 3,176,763	\$ 2,313,266	\$ 319,796	\$ 84,814
Lease liabilities	21,282	42,564	191,540	601,765	960,792
Variable interest rate liabilities	6,110,000	4,400,000	2,582,865	5,147,909	3,664,676
Fixed interest rate liabilities	<u>11,347,931</u>	<u>11,787,808</u>	<u>13,009,109</u>	<u>30,732,248</u>	<u>10,200,000</u>
	<u>\$ 21,287,632</u>	<u>\$ 19,407,135</u>	<u>\$ 18,096,780</u>	<u>\$ 36,801,718</u>	<u>\$ 14,910,282</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 255,386</u>	<u>\$ 601,765</u>	<u>\$ 284,211</u>	<u>\$ 199,642</u>	<u>\$ 153,264</u>	<u>\$ 323,675</u>

The amounts above of variable interest rate non-derivative financial assets and liabilities are subject to change if actual variable interest rates differ from those estimates of interest rates at the end of the reporting period.

b) Liquidity and interest rate tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Cross-currency swap contracts	\$ -	\$ (42,155)	\$ (86,183)	\$ -	\$ -

- e. Transfers of financial assets. None.
- f. Offsetting financial assets and financial liabilities. None.
- g. Reclassifications. None.

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

Transactions with related parties are conducted under normal terms.

Balances and transactions between the Group and single related party are disclosed separately except when the amount is less than 10% of the total balances or transactions; otherwise, the amounts are lumped together as others.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
FENC	Associate
U-Ming	Associate
SHSTC	Associate
EISF	Associate
YDC	Associate
OSC	Associate
HZYCCL	Associate
FEDSDL	Associate
Opas Fund Segregated Portfolio Company	Associate
Drive Catalyst SPC	Associate

(Continued)

Related Party Name	Related Party Category
Alliance Concrete Singapore Pte. Ltd.	Joint venture
HXMC	Joint venture
WAMTC	Joint venture
U-Ming Transport (Singapore) Private Limited	Other
CHC Resources Corporation	Other
Far Eastern Department Store Ltd.	Other
Chu Chiang Enterprise Corp. Ltd.	Other
Chu Feng	Other
Air Liquide Far Eastern Co.	Other
Oriental Petrochemical (Taiwan) Corporation	Other
Far Eastern Memorial Hospital	Other
Ya Tung Department Store Ltd.	Other
Yuan Ze University	Other
Far Eastern Leasing Corporation	Other
Ho Hwei Enterprise Corp. Ltd.	Other
Far Eastern Apparel Co., Ltd.	Other
Oriental Union Chemical Corp.	Other
NanKung Enterprise Ltd.	Other
New Century InfoComm Tech Co., Ltd.	Other
Ding & Ding Management Consultants Co., Ltd.	Other
Far Eastern Fibertech Co., Ltd.	Other
Far Eastern International Bank (FEIB)	Other
Far Eastern Polytex (Vietnam) Ltd.	Other
FERD	Other
Far Eastern General Construction Inc.	Other
Far EasTone Telecommunications Co., Ltd.	Other
Far Eastern Property Insurance Agency Co., Ltd.	Other
Far Eastern International Leasing Corporation	Other
Lien Fang Enterprise Corp. Ltd.	Other
Chubei New Century Shopping Mall Co., Ltd.	Other
YDT Technology International Corporation	Other
Oriental Institute of Technology	Other
Oriental Green Materials Limited	Other
Far Eastern Ai Mai Co., Ltd.	Other
Ding Ding Hotel Co., Ltd.	Other
Malaysia Garment Manufacturers Pte. Ltd.	Other
Everest Textile Co., Ltd.	Other
Far Eastern Electronic Toll Collection Co., Ltd.	Other
Yuan Cheng Human Resources Consultant Corporation	Other
U-Ming Marine Transport (Hong Kong) Ltd.	Other
Ding & Ding Management Consultants Co., Ltd.	Other
Far Eastern Memorial Foundation	Other
Fang Lu Hsing	Related party in substance
Kun Yen Lee	Related party in substance
Lin Seng Chang	Related party in substance
Peter Hsu	Related party in substance
Raymond Hsu	Related party in substance
Douglas Tong Hsu	Related party in substance
Hsu Shih, Hsu	Related party in substance
Alice Hsu	Related party in substance

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Nancy Hsu	Related party in substance
Tsai Hsiung Chang	Related party in substance
Z.P. Chang	Related party in substance
Y.F. Chang	Related party in substance
Chen Kun Chang	Related party in substance
Cheng Chen Fong	Related party in substance
Richard Yang	Related party in substance
Frederica Yang	Related party in substance
Johnny Shih	Related party in substance
	(Concluded)

Note: Other related party relationships mainly include associates' subsidiaries, legal person in which the chairman is the same as the Corporation's chairman and the director is also the Corporation's chairman.

b. Operating Transactions

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Operating revenue		
Associates	\$ 722,116	\$ 660,959
Others	1,744,069	1,777,182
Joint ventures	<u>828,887</u>	<u>444,836</u>
	<u>\$ 3,295,072</u>	<u>\$ 2,882,977</u>
Operating cost		
Associates	\$ 582,736	\$ 606,513
Others	967,119	856,620
Joint ventures	<u>540,915</u>	<u>562,226</u>
	<u>\$ 2,090,770</u>	<u>\$ 2,025,359</u>

Receivables from related parties (including notes receivable, trade receivables, other receivables and contract assets):

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Associates	\$ 124,588	\$ 87,954
Others	501,386	484,322
Joint ventures	<u>193,702</u>	<u>144,687</u>
	<u>\$ 819,676</u>	<u>\$ 716,963</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables from related parties.

Accounts payable and accrued expenses to related parties:

	December 31	
	2021	2020
Associates	\$ 111,082	\$ 98,416
Others	92,515	89,977
Joint ventures	<u>61,652</u>	<u>58,778</u>
	<u>\$ 265,249</u>	<u>\$ 247,171</u>

The outstanding trade payables to related parties are unsecured.

Prepayments to related parties:

	December 31	
	2021	2020
Associates	\$ 15,000	\$ 15,000
Others	<u>790</u>	<u>1,854</u>
	<u>\$ 15,790</u>	<u>\$ 16,854</u>

c. Transactions with FEIB

	December 31	
	2021	2020
Bank deposits (Note)	<u>\$ 5,118,185</u>	<u>\$ 3,622,676</u>
Bank loans	<u>\$ 1,480,000</u>	<u>\$ 830,000</u>
Cross-currency swap contracts	<u>\$ -</u>	<u>\$ (26,854)</u>

As of December 31, 2020, the notional principal of the above outstanding cross-currency swap contracts was US\$15,000 thousand.

Note: The balances included amounts recognized as financial assets measured at amortized cost, and other non-current assets (refundable deposits).

d. Remuneration of key management personnel

The amounts of the compensation of directors and other key management personnel were as follows:

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 229,154	\$ 246,593
Post-employment benefits	<u>864</u>	<u>864</u>
	<u>\$ 230,018</u>	<u>\$ 247,457</u>

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

e. Other transactions with related parties

1) Operating expense - rental

	For the Year Ended December 31	
	2021	2020
Associates	\$ 50,815	\$ 48,547
Others	<u>9,604</u>	<u>9,068</u>
	<u>\$ 60,419</u>	<u>\$ 57,615</u>

2) Acquisitions of property, plant, and equipment

	For the Year Ended December 31	
	2021	2020
Others	<u>\$ 2,317</u>	<u>\$ 887</u>

3) Lease agreement

Acquisitions of right-of-use assets

	For the Year Ended December 31	
	2021	2020
Others	<u>\$ 31,501</u>	<u>\$ 58,115</u>

Lease liabilities

	December 31	
	2021	2020
Others	<u>\$ 183,583</u>	<u>\$ 205,261</u>

- 4) Due to changes in circumstances, the Group's donations to Yuan Ze University in 2010 and 2013 were not able to be proceeded and, thus, were returned and recognized in other income of \$61,304 thousand and interest income of \$3,248 thousand, respectively. In December 2020, the Group proposed to transfer donation amounting to \$64,552 thousand to Far Eastern Memorial Foundation to support its "International Conference Center Project" and recognized the donation in miscellaneous expenses.
- 5) The nature of the Group's transaction with OFSPC is acquisition or disposal of OPAS Fund Segregated Portfolio's overseas fund through OFSPC's platform. The portfolio's decision is made and managed by the investment committee which is composed of the Group and other investors. The Group's investment activities through OFSPC's platform for the years ended December 31, 2021 and 2020 included acquisition of \$282,300 thousand and \$470,935 thousand, and disposal of \$282,133 thousand and \$427,912 thousand as well as gain on disposal of \$41,013 thousand and \$33,502 thousand, respectively.
- 6) From March to December 2021, the Group acquired additional non-controlling interests in subsidiaries including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE from a related party in substance with a total amount of \$1,682 thousand; refer to Note 32 for the details.

- 7) From April to December 2020, the Group acquired further interests in associate YYI and YDC, as well as non-controlling interests in subsidiaries, including CHP, YTRMC, DCI, FMT, NHC, AEE, YLT, YLPPC and YSRMC and FDT, from related party in substance with a total amount of \$21,967 thousand; refer to Note 32.
- 8) From April to August 2021, the Group subscribed for new shares of Ding Ding Hotel Co., Ltd., Drive Catalyst SPC-SP Tranche Two, Drive Catalyst SPC-SP Tranche Three and cash capital increase of Everest Textile Co., Ltd. with a total amount of \$295,743 thousand.

36. ASSETS PLEDGED AS COLLATERAL

The following assets are provided as collaterals for short-term and long-term bank borrowings or for purchases from suppliers:

	December 31	
	2021	2020
Investment properties	\$ 13,948,483	\$ 13,857,983
Investments accounted for using the equity method	8,976,968	8,919,905
Property, plant and equipment	2,386,293	2,530,035
Financial assets at fair value through other comprehensive income	107,250	204,000
Financial assets at amortized cost	<u>1,052,588</u>	<u>314,343</u>
	<u>\$ 26,471,582</u>	<u>\$ 25,826,266</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2021, the Corporation and its subsidiaries had the following significant commitments and contingencies:

- a. Unused letters of credit of NT\$29,232 thousand, US\$21,724 thousand, RMB1,186 thousand, and EUR469 thousand.
- b. Guarantee notes issued for related parties: refer to Table 2.
- c. CHP entered into agreements on the following transactions:
 - 1) Purchase of natural gas from Chinese Petroleum Corporation.
 - 2) Power Plant (base load unit) Purchase and Sale Contract, Power Plant (medium-load unit) Purchase and Sale Contract and Electricity Purchase and Sale Contract for Gas Recirculation with Taiwan Power Company.
 - 3) Contractual Service Agreement with General Electric Global Services GmbH.
 - 4) Contract of Engineering, Procurement and Construction with General Electric Global Services GmbH. and GE Global Parts & Products, GmbH.
- d. The estimated payments for construction of plants and acquisition of land use rights and equipment of JYDC, HYDCCL, SIYDCCL, HGYDC and SLCL in the future amount to RMB44,623 thousand.

- e. YSRMC supplied ready-mixed concrete to Da Cin Construction Co., Ltd. (“Da Cin”) during 2003. The owner of the project under construction demanded Da Cin to take responsibility for repairing the construction flaws. Da Cin requested YSRMC to compensate the loss and damage on the construction. However, both parties did not reach an agreement from 2006 to 2009. Da Cin filed an appeal and requested YSRMC to indemnify \$22,881 thousand in April 2010. In July 2014, the local court concluded that YSRMC has to pay indemnity in the amount of \$17,642 thousand. In 2010, 2014, and 2020, YSRMC estimated the related compensation loss, which was accounted for as provisions, of \$13,800 thousand, \$3,840 thousand and \$27,600 thousand, respectively, with a total of \$45,240 thousand. YSRMC also filed an appeal against the court’s decision in October 2014. Da Cin requested additional compensation of \$137,544 thousand in the second instance, and the total damage compensation claimed was \$160,425 thousand together with the amount in the first instance. However, Da Cin’s appeal was dismissed in the second instance; thus YSRMC did not have to bear any expenses. Da Cin further filed an appeal to the Supreme Court, and the case remained to be rejected by the High Court. Later, Da Cin filed an appeal to the Supreme Court for the second time and the appeal was still dismissed by the Supreme Court on September 30, 2020.
- f. On March 13, 2013, the No. 1114 Commissioners’ Meeting of Fair Trade Commission resolved that independent power producers violated Article 14, Paragraph 1 of Fair Trade Act due to the rejection of power purchase rate adjustment with TPC and fined CHP \$400,000 thousand. Accordingly, CHP recognized penalty expenses, which is included in other losses in the consolidated financial statements for the year ended December 31, 2013. The penalty is payable in 60 monthly installments and covered by a long-term note payable. CHP had filed an appeal on April 17, 2013. On September 12, 2013, the Petitions and Appeals Committee of the Executive Yuan rescinded the imposition of penalty (the “Penalty Disposition”) and advised the Fair Trade Commission to impose more appropriate disposition with refund of penalty paid by CHP. However, CHP’s appeal against the imposition of illegal concerted action among independent power producers (the “Act Disposition”) was dismissed.

Regarding the Penalty Disposition, the Fair Trade Commission resolved a penalty of \$370,000 thousand on November 13, 2013. CHP thus adjusted the penalty expenses in other gains and losses for the year ended December 31, 2013. The disposition was revoked again by the Petitions and Appeals Committee on May 9, 2014. Then the Fair Trade Commission imposed a penalty of \$364,000 thousand on July 9, 2014. CHP recognized a reversal gain of \$6,000 thousand in other income for the year ended December 31, 2014 and issued a long-term note payable in 60 installments for the penalty in accordance with the disposition. In addition, CHP also filed an appeal to defend its interest on August 11, 2014.

On December 11, 2014, Letter from the Petitions and Appeals Committee indicates that the filing of appeal against the Penalty Disposition is suspended until the administrative court makes the final judgment on the Act Disposition.

Regarding the Act Disposition, on November 7, 2013, CHP filed an administrative litigation at the Taipei High Administrative Court against the dispositions of the Fair Trade Commission. The Taipei High Administrative Court ruled in favor of CHP on October 29, 2014. Nevertheless, the Fair Trade Commission filed an appeal with the Supreme Administrative Court. The Supreme Administrative Court dismissed the judgment made by the Taipei High Administrative Court on July 2, 2015. The case was remanded to the Taipei High Administrative Court on May 25, 2017, and the Taipei High Administrative Court still revoked the administrative disciplinary action and the judgement of the appeal. The Fair Trade Commission filed an appeal with the Supreme Administrative Court and the case was remanded to the Taipei High Administrative Court on September 27, 2018. On May 16, 2020, the Taipei High Administrative Court revoked the administrative disciplinary action and the judgement of the appeal once again. On July 9, 2020, the Fair Trade Commission served a statement of appeal upon CHP, and the Taipei High Administrative Court has transferred the case to the Supreme Administrative Court on August 18, 2020.

- g. On March 15, 2013, Letter No. 102035 from the Fair Trade Commission indicated concerted action among CHP and other independent power producers due to the rejection of power purchase rate adjustment with TPC. Accordingly, in August 2015, TPC filed at the Taipei District Court a civil mediation which requests CHP to compensate \$2.35 billion plus interest from November 1, 2007 to the settlement date for the damage caused. Later, in September 2015, TPC filed at the Taipei District Court a civil litigation appeal which requests CHP to compensate \$2.349 billion plus interest from November 1, 2007 to the settlement date as well as an apology published in major newspapers. TPC also filed at the Taipei High Administrative Court an administrative litigation which requests CHP to compensate the damage caused which amounted to \$1.4 billion plus interest from November 1, 2007 to the settlement date with a 5% annual interest rate.

CHP and TPC did not reach an agreement in the civil mediation council meeting held on October 7, 2015. Later, TPC included the damage compensation claimed in the civil mediation in the administrative litigation appeal and the total compensation claimed in the statement of the administrative litigation amounted to \$3.75 billion plus interest from November 1, 2007 to the settlement date with a 5% annual interest rate. On November 27, 2015, the administrative court ruled that the litigation proceedings are suspended until the administrative court makes the final judgment on the Act Disposition. However, on July 12, 2016, Taipei High Administrative Court notified that the power purchase and sales contracts between independent power producers and TPC are subject to the performance of obligation under the Civil Code. Therefore, the abovementioned ruling for suspension was revoked and the administrative litigation for compensation would be transferred to the Taipei District Court. TPC filed counter appeal against the ruling; however, the appeal was dismissed by the Supreme Administrative Court on December 30, 2016. This case has been transferred to the Taipei District Court on January 25, 2017. On April 12, 2019, the appeal was dismissed by the Taipei District Court, and TPC filed an appeal to the Taiwan High Court on May 17, 2019. On April 13, 2021, CHP has been notified that TPC has revoked its appeal. Later, CHP responded to the Taiwan High Court and agreed with the withdrawal on April 20, 2021.

In light of the civil proceedings, on March 1, 2016, TPC added posterior statement which requests the capital expenditure it paid to CHP from October 9, 2007 to November 30, 2012 according to the power purchase and sales contracts to be recalculated relying on CHP's capital ratio. Accordingly, CHP would compensate at least \$2.349 billion to TPC. The Taipei District Court dismissed the appeal on November 1, 2018, and TPC filed an appeal subsequently. This case is currently heard by the Taiwan High Court.

CHP considered the payment of the indemnity is not possible unless TPC can provide proof that the damage was caused by CHP and their appeal is filed within the statute of limitation. As of the date the consolidated financial statements were authorized for issue, the amount of the compensation cannot be reasonably estimated. Therefore, CHP could not assess the possible impact on its financial position and did not recognize any contingent liabilities.

- h. On December 4, 2015 and December 17, 2015, CSCGL, China Shanshui Cement Group (Hong Kong) Company Limited and China Pioneer Cement (Hong Kong) Company Limited (collectively referred as "Shanshui Cement Group") commenced legal proceedings against the former directors of CSCGL in respect of the alleged dishonest breaches of fiduciary duty or alleged conspiracy to cause damages to CSCGL during their tenures. The proceedings arose from disputes between CSCGL's present and former board of directors over the changes in management and the takeover of the headquarters of CSCGL. On April 7, 2016, the Corporation was added as the 10th defendant. The Corporation engaged lawyers to take legal actions in connection with the unqualified claim to defend its reputation and interests. The case was tried by the High Court of Hong Kong from April 19 to June 17, 2021, and the case is currently waiting for a judgment from the High Court of Hong Kong. As of the auditors' audit report date, the Corporation considered that it is premature to evaluate at this stage the possible outcome of the proceedings given that no judgement has been handed down by the court and, therefore, did not recognize any contingent liabilities.

- i. Tianrui Group Company Limited and Tianrui (International) Holding Company Limited (collectively referred as “Tianrui Group”), CSI and former directors of CSCGL, in breach of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and share Buy-backs issued by the Hong Kong Securities and Futures Commission and the fiduciary duties, have engaged in unfair prejudicial conducts in favor of Tianrui directly and indirectly through CSCGL which are detrimental to the interests of the shareholders including the Corporation. The Corporation filed a writ of summons to the High Court of Hong Kong in June 2017 and has been seeking legal advice in relation to the legal proceedings. As the respondents’ applications to strike out the petition for technical reasons, the Corporation amended the applications accordingly. As of the auditors’ audit report date, no further decision has been rendered yet.
- j. On August 30, 2018, Tianrui (International) Holding Company Limited (“Tianrui”) presented a petition to the Grand Court of the Cayman Islands (the “Grand Court”) seeking to wind up CSCGL, and Tianrui further filed an application for the appointment of joint provisional liquidators (“JPLs”) over CSCGL, which was accepted by the Grand Court on September 4, 2018. On August 12, 2019, CSCGL had made applications to the Grand Court for the above-mentioned winding-up petition to be struck out and/or stayed. However, the Grand Court dismissed CSCGL’s applications according to the announcement dated April 7, 2020 at the news website of the Hong Kong Exchanges and Clearing Limited. Pursuant to the Grand Court’s decision, the winding up petition filed by Tianrui is considered a dispute between CSCGL’s shareholders and thus needs to be amended. The amendments shall include but are not limited to adding the Corporation as a defendant. Later, Tianrui filed an application with the Grand Court to amend its winding-up petition, and the Corporation was added as a defendant in the petition. By an order of the Grand Court announced on January 27, 2021, the Grand Court granted Tianrui’s amendments to the winding-up petition against CSCGL and added the Corporation as a defendant. On March 19, 2021, the Corporation received the legal documents from Tianrui and has appointed legal counsel in relation to the false accusation in order to preserve the Corporation’s reputation and interests. Since no further verdict has been rendered yet, the Corporation considered that it is premature to evaluate at this stage the possible outcome of the proceedings. Therefore, the Corporation assessed that the winding-up petition did not have any material impact on its investments in CSCGL.

38. OTHER ITEMS

- a. Due to the impact of the COVID-19 pandemic, the Group considered the economic implications of the epidemic when making its critical accounting estimates based on the information available as of the balance sheet date; refer to Note 5. With this, the Group assessed that there are no doubts in the aspects of the Group’s ability to continue as a going concern, risk of asset impairment and financing activities as of the date the consolidated financial statements were authorized for issue. The Group will stay alert to the development and situation of the COVID-19 and will take necessary action to mitigate the business risk.
- b. During the year ended December 31, 2021, various local PRC government competent authorities have conducted various independent investigations in relation to environmental protection, production process and labour safety in various subsidiaries of the Group in mainland China. Refer to Note 29 for the penalties for regulation violation and related surcharges. After seeking legal advice, the Group considered that all investigations were completed and no investigation was yet to be finalised up to the date of the audit report.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 582,533	27.630	\$ 16,095,387
RMB	422,277	4.334	1,830,149
EUR	3,008	31.116	93,609
Non-monetary item			
HKD	659,278	3.519	2,319,999
USD	620,542	27.630	17,145,575
RMB	23,910	4.334	103,626

Financial liabilities

Monetary items			
USD	362,734	27.630	10,022,340

December 31, 2020

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 578,136	28.430	\$ 16,436,405
RMB	402,575	4.357	1,754,078
EUR	27,487	34.820	957,098
Non-monetary item			
HKD	632,081	3.643	2,302,672
USD	297,146	28.430	8,447,863
RMB	39,500	4.357	172,102

Financial liabilities

Monetary items			
USD	428,114	28.430	12,171,293
Non-monetary item			
USD	14,973	28.430	425,693

For the years ended December 31, 2021 and 2020, the total amounts of realized and unrealized net foreign exchange losses were \$161,955 thousand and \$162,371 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency because of the variety of the foreign currency transactions and functional currencies of the Group.

40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Information on investees (Table 7)
- 10) Trading in derivative instruments (Note 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- c. Intercompany relationships and significant intercompany transactions (Table 9)
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows: Cement, electric power, investment, engineering, transportation, stainless steel and leasing.

- a. Segment revenue and results

	Segment Revenue		Segment Profit	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
Cement	\$ 71,185,322	\$ 64,906,691	\$ 14,451,649	\$ 16,838,895
Electric power	8,421,919	5,932,839	1,499,097	1,814,939
Investment	941,137	759,000	728,885	488,206
Engineering	440,290	267,213	42,334	17,641
Transportation	2,024,534	1,750,929	340,842	303,622
Stainless steel	6,224,892	4,212,480	412,757	(5,661)
Leasing	<u>416,619</u>	<u>411,728</u>	<u>210,653</u>	<u>212,496</u>
	<u>\$ 89,654,713</u>	<u>\$ 78,240,880</u>	17,686,217	19,670,138
Non-operating income and expenses			<u>4,247,696</u>	<u>4,473,745</u>
Profit before income tax			<u>\$ 21,933,913</u>	<u>\$ 24,143,883</u>

Segment revenue reported above represents revenue generated from external customers.

- b. Segment assets and liabilities, and other segment information

The Group does not report segment assets and liabilities or other segment information to the chief operating decision maker. Therefore, no information is disclosed here.

- c. Geographical information

The Group operates principally in Taiwan and China.

The Groups' revenue from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
China	\$ 51,152,973	\$ 46,473,835	\$ 40,847,422	\$ 43,750,917
Taiwan	35,336,598	28,340,146	50,264,844	58,844,842
Others	<u>3,165,142</u>	<u>3,426,899</u>	<u>531,575</u>	<u>547,351</u>
	<u>\$ 89,654,713</u>	<u>\$ 78,240,880</u>	<u>\$ 91,643,841</u>	<u>\$ 103,143,110</u>

Revenue is categorized according to customers' location. Non-current assets exclude those classified as financial instruments, deferred tax assets and post-employment benefit assets.

d. Information of major customers

	Revenue			
	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
Taiwan Power Company	<u>\$ 8,421,919</u>	<u>9</u>	<u>\$ 5,932,839</u>	<u>8</u>

TABLE 1

ASIA CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
1	OIHPL	ACCHC	Other receivables	Y	\$ 192,703	\$ 190,680	\$ 190,680	3.01%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth \$11,653,929	50% of net worth \$29,134,822
2	OHC	SIYDCCL	Other receivables	Y	875,921	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$2,940,370	50% of net worth \$7,350,924
		SLCL	Other receivables	Y	1,094,902	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	2,609,964	2,600,184	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
3	JYDC	SHYLCP	Other receivables	Y	394,165	216,682	114,841	3.80%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$5,654,502	50% of net worth \$14,136,255
		YYDCCL	Other receivables	Y	437,961	216,682	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	525,553	216,682	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	2,627,764	1,300,092	1,300,092	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
4	HYDCCL	WYXC	Other receivables	Y	87,592	86,673	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$2,174,682	50% of net worth \$5,436,706
		HXMC	Other receivables	Y	43,796	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPL	Other receivables	Y	87,592	86,673	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	87,592	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	1,870,474	1,863,465	1,863,465	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
5	WYDC	WYCPL	Other receivables	Y	109,490	108,341	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$534,159	50% of net worth \$1,335,397
		SYCPCL	Other receivables	Y	175,184	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	521,993	520,037	520,037	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYXC	Other receivables	Y	109,490	108,341	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	HGYDC	ACCHC	Other receivables	Y	1,087,485	1,083,410	1,083,410	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,262,670	50% of net worth \$3,156,674
7	SLCL	SLCCL	Other receivables	Y	175,184	173,346	151,677	3.80%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,544,891	50% of net worth \$3,862,228
8	SIYDCCL	SYCPCL	Other receivables	Y	391,495	390,028	260,018	3.80%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$4,989,648	50% of net worth \$12,474,120
		ACCHC	Other receivables	Y	2,609,964	2,600,184	2,600,184	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

Note 1: The net value was calculated based on audited financial statements as of December 31, 2021.

Note 2: The ending balance is the financing credit lines to the respective borrowers approved by the board of directors of lenders.

Note 3: The interest rate was for the year ended December 31, 2021.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2021.

TABLE 2

ASIA CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 3)										
0	The Corporation	ACE	b	50% of net worth (\$78,463,462)	\$ 834,000	\$ 828,900	\$ 828,900	None	0.53	100% of net worth (\$156,926,923)	Y	-	-
		ACP	b	Same as above	1,112,000	1,105,200	552,600	None	0.70	Same as above	Y	-	-
		ACP II	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		ACP III	b	Same as above	834,000	828,900	828,900	None	0.53	Same as above	Y	-	-
		ACP IV	b	Same as above	834,000	828,900	690,750	None	0.53	Same as above	Y	-	-
		AIC	b	Same as above	24,531,250	24,498,250	11,060,000	None	15.61	Same as above	Y	-	-
		NHC	b	Same as above	1,174,850	1,028,150	279,000	None	0.66	Same as above	Y	-	-
		DCI	b	Same as above	22,958,950	22,958,950	9,410,000	None	14.63	Same as above	Y	-	-
		YTRMC	b	Same as above	1,000,000	1,000,000	-	None	0.64	Same as above	Y	-	-
		ACL	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		ACM	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		ACM II	b	Same as above	834,000	828,900	552,600	None	0.53	Same as above	Y	-	-
		ACM III	b	Same as above	834,000	828,900	552,600	None	0.53	Same as above	Y	-	-
		ACM IV	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		FSMS	b	Same as above	30,000	30,000	30,000	None	0.02	Same as above	Y	-	-
		AEE	b	Same as above	350,000	350,000	244,000	None	0.22	Same as above	Y	-	-
		YLPPC	b	Same as above	497,642	482,555	192,100	None	0.31	Same as above	Y	-	-
		YSRMC	b	Same as above	150,000	100,000	-	None	0.06	Same as above	Y	-	-
1	DCI	FSMS	d	50% of net worth (\$7,428,847)	100,000	100,000	30,000	None	0.67	100% of net worth (\$14,857,694)	Y	-	-
2	YLSS	YLSS	d	50% of net worth (\$1,071,796)	100,000	100,000	30,000	100,000	4.67	100% of net worth (\$2,143,592)	-	-	-
3	YTRMC	YSRMC	b	50% of net worth (\$1,729,074)	48,747	-	-	None	-	100% of net worth (\$3,458,148)	Y	-	-
4	FDT	FMT	d	50% of net worth (\$454,660)	2,000	-	-	None	-	100% of net worth (\$909,320)	-	-	-

(Continued)

Note 1: The net value was calculated based on audited financial statements as of December 31, 2021.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2021.

Note 3: The relationship between guarantor and guarantee are as follows:

- a. A company with which the Corporation engages business.
- b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
- c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.
- d. A company in which the Corporation directly and indirectly holds more than 90% of the voting shares.
- e. The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- g. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TABLE 3

ASIA CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	China Conch Venture Holding	-	Financial assets at fair value through profit or loss - current	11,443,000	\$ 1,534,208	0.63	\$ 1,534,208	
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	371,600	-	371,600	
	Far EasTone	The chairman of the investor is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	31,034,372	2,004,820	0.95	2,004,820	
	Far Eastern Department Stores Ltd.	The investor and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	80,052,950	1,717,136	5.65	1,717,136	
	Oriental Union Chemical Corp.	The investor and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	63,766,522	1,428,370	7.20	1,428,370	
	CHC Resources Corporation	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	22,801,185	1,034,034	9.17	1,034,034	
	Far Eastern International Bank	The chairman of the investor is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	82,595,754	887,904	2.35	887,904	
	Taiwan Stock Exchange Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	9,725,272	590,032	1.16	590,032	
	China Shanshui Investment Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	49,928	291,990	4.99	291,990	
	Kaohsiung Rapid Transit	-	Financial assets at fair value through other comprehensive income - noncurrent	15,873,243	69,812	5.70	69,812	
	L' Hotel de Chine Hotel	-	Financial assets at fair value through other comprehensive income - noncurrent	598,121	30,097	0.20	30,097	
	Pan Asia Engineers & Constructors Corp.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	1,551,395	22,138	1.36	22,138	
	Ding Ding Hotel Corp.	The chairman of the investor is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	555,638	10,681	0.53	10,681	
	China Trade & Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	250,003	3,902	0.38	3,902	
	Linkou Recreation Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	5	-	0.50	-	
DCI	Chang An Fund	-	Financial assets at fair value through profit or loss - current	145,000	4,011,598	-	4,011,598	
	Taiwan Semiconductor Manufacturing Corp	-	Financial assets at fair value through profit or loss - current	380,000	233,700	-	233,700	
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	6,899,000	231,668	-	231,668	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,600,000	170,400	0.04	170,400	
	Chicony Electronics CO., Ltd	-	Financial assets at fair value through profit or loss - current	1,900,000	156,370	0.25	156,370	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Synnex Technology International Corporation	-	Financial assets at fair value through profit or loss - current	2,360,000	\$ 156,232	0.14	\$ 156,232	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	530,000	145,750	0.02	145,750	
	BizLink Holding Inc.	-	Financial assets at fair value through profit or loss - current	530,000	138,330	0.39	138,330	
	Yuanta Global NexGen Communication Innovative Technology ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	134,360	-	134,360	
	Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	131,840	-	131,840	
	Chin-Poon Corporation	-	Financial assets at fair value through profit or loss - current	3,150,000	115,605	0.79	115,605	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	1,020,000	106,080	0.02	106,080	
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,191,654	105,199	0.03	105,199	
	Yuanta Taiwan High Dividend LowVolatility ETF	-	Financial assets at fair value through profit or loss - current	1,500,000	64,155	-	64,155	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	300,000	89,250	0.17	89,250	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	460,000	63,050	0.01	63,050	
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	58,200	-	58,200	
	TungThih Electronic Co., Ltd	-	Financial assets at fair value through profit or loss - current	330,000	57,750	0.39	57,750	
	China Resources Cement Holdings Limited	-	Financial assets at fair value through profit or loss - current	2,776,000	57,538	0.04	57,538	
	TCI Co., Ltd.	-	Financial assets at fair value through profit or loss - current	245,000	51,083	0.21	51,083	
	Industrial and Commercial Bank of China, A share	-	Financial assets at fair value through profit or loss - current	2,000,000	40,130	-	40,130	
	ChinaAMC CSI 300 Index ETF	-	Financial assets at fair value through profit or loss - current	160,000	34,661	0.06	34,661	
	China Mobile Communications Corporation	-	Financial assets at fair value through profit or loss - current	210,000	34,585	-	34,585	
	Hsing Ta Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,609,854	33,485	0.47	33,485	
	Chunghwa Picture Tubes, Ltd	-	Financial assets at fair value through profit or loss - current	275,223	-	-	-	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - current	39,469,455	424,297	1.12	424,297	
	Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	9,958,000	354,007	0.07	354,007	
	Tripod Technology Corporation	-	Financial assets at fair value through other comprehensive income - current	1,700,000	211,650	0.32	211,650	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	215,000	13,889	0.01	13,889	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - current	41,246	924	0.00	924	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
NHC	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	102,031,578	\$ 1,096,839	2.90	\$ 1,096,839	Note 3
	Far Eastern International Leasing Corporation	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	45,258,938	602,813	10.14	602,813	
	Far Eastern Department Stores Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	13,630,966	292,384	0.96	292,384	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	10,506,792	235,352	1.19	235,352	
	CHC Resources Corporation	The major shareholder of the investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	4,812,514	218,248	1.94	218,248	
	Ding Ding Hotel Corp.	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	213,442	4,103	0.21	4,103	
	Picvue Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	161,700	-	0.06	-	
YTRMC	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through profit or loss - current	50,000	3,230	-	3,230	
FMT	Everest Textile Co., Ltd.	The chairman of the investor's major shareholder is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	230,000	14,858	-	14,858	
FDT	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	18,314,020	176,364	2.64	176,364	
	Yi Tong Fiber Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,256,782	50,552	0.25	50,552	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	5,256,454	41,691	5.94	41,691	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	1,185,713	25,434	0.08	25,434	
AEE	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - current	309,966	3,332	0.01	3,332	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	3,254,125	72,892	0.37	72,892	
	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	935,029	20,056	0.07	20,056	
	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	2,053,530	8,376	16.00	8,376	
AEE	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through profit or loss - current	120,000	7,752	-	7,752	
	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	646,873	900	5.04	900	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YLPPC	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	105,000	\$ 6,783	-	\$ 6,783	
	Yamay International Development Corp.		Financial assets at fair value through other comprehensive income - noncurrent	15	-	-	-	
AIC	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	122,000	3,373,489	-	3,373,489	
	Taiwan Semiconductor Manufacturing Corp.	-	Financial assets at fair value through profit or loss - current	380,000	233,700	-	233,700	
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	6,906,000	231,903	-	231,903	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,720,000	178,880	0.01	178,880	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,600,000	170,400	0.04	170,400	
	Chicony Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,900,000	156,370	0.25	156,370	
	Synnex Technology International Corporation	-	Financial assets at fair value through profit or loss - current	2,360,000	156,232	0.14	156,232	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	530,000	145,750	0.02	145,750	
	BizLink Holding Inc	-	Financial assets at fair value through profit or loss - current	530,000	138,330	0.39	138,330	
	Yuanta Global NexGen Communication Innovative Technology ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	134,360	-	134,360	
	Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	131,840	-	131,840	
	Hsing Ta Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	5,881,650	122,338	1.72	122,338	
	Chin-Poon Corporation	-	Financial assets at fair value through profit or loss - current	3,150,000	115,605	0.79	115,605	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	1,020,000	106,080	0.02	106,080	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	300,000	89,250	0.17	89,250	
	China AMC CSI 300 Index ETF	-	Financial assets at fair value through profit or loss - current	380,000	82,319	0.14	82,319	
	China Mobile Communications Corporation	-	Financial assets at fair value through profit or loss - current	448,000	73,781	-	73,781	
	TCI Co., Ltd.	-	Financial assets at fair value through profit or loss - current	330,000	68,805	0.28	68,805	
	Yuanta Taiwan High Dividend LowVolatility ETF	-	Financial assets at fair value through profit or loss - current	1,500,000	64,155	-	64,155	
	China Construction Bank Corporation, A share	-	Financial assets at fair value through profit or loss - current	2,500,000	63,488	-	63,488	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	460,000	63,050	0.01	63,050	
	TungThih Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss - current	330,000	57,750	0.39	57,750	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	China Resources Cement Holdings Limited	-	Financial assets at fair value through profit or loss - current	2,776,000	\$ 57,538	0.04	\$ 57,538	
	Nan Ya Plastics Corporation	-	Financial assets at fair value through other comprehensive income - current	3,286,000	280,624	0.04	280,624	
	Tripod Technology Corporation	-	Financial assets at fair value through other comprehensive income - current	1,700,000	211,650	0.32	211,650	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	1,426,303	92,139	0.04	92,139	
	Inventec Corporation	-	Financial assets at fair value through other comprehensive income - current	2,882,000	71,906	0.08	71,906	
	China Life Insurance Company Limited, H share	-	Financial assets at fair value through other comprehensive income - current	600,000	27,279	-	27,279	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	141,518,058	1,521,319	4.03	1,521,319	
	Ding Shen Investment Co., Ltd.	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	40,328,640	430,710	18.00	430,710	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	11,361,972	243,714	0.80	243,714	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	1,552,156	34,768	0.18	34,768	
	Hsin Nan Construction Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,696	-	-	-	
ACE	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	276,625	-	276,625	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACP	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
	Cementon Micronesia L.L.C.	-	Financial assets at fair value through other comprehensive income - noncurrent	100	107,757	10.00	107,757	
ACP II	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ACP III	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	\$ 276,753	-	\$ 276,753	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	276,625	-	276,625	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACP IV	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	276,625	-	276,625	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	5,000	138,227	-	138,227	
ACM	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACM II	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACM III	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACM IV	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACL	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
FSMS	Stone Industry Resource System Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	10,000	\$ 70	0.15	\$ 70	
YLT	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	50,925	-	50,925	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	3,163,230	34,005	0.09	34,005	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	71,099	4,593	-	4,593	
YLSS	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	130,000	8,398	-	8,398	
KCC	CSOP FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	300,000	18,791	-	18,791	
KCCL	Opas Fund Segregated Portfolio Tranche	Related party in substance	Financial assets at fair value through profit or loss - current	1,606	103,636	-	103,636	
	Allianz US High Yield Fund	-	Financial assets at fair value through profit or loss - current	97,741	17,709	-	17,709	
OCPL	Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	586	-	586	
ACSPL	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Financial assets at fair value through profit or loss - current	6,660	259,482	-	259,482	
	United Emerging Markets Bond Funds	-	Financial assets at fair value through profit or loss - current	3,232,758	76,783	-	76,783	
	United Growth Fund	-	Financial assets at fair value through profit or loss - current	745,068	52,133	-	52,133	
	DBS Group	-	Financial assets at fair value through profit or loss - current	34,396	22,883	-	22,883	
	Guocoland Ltd.	-	Financial assets at fair value through profit or loss - current	26,666	820	-	820	
	Hong Leong Asia	-	Financial assets at fair value through profit or loss - current	20,000	344	-	344	
	INTRACO	-	Financial assets at fair value through profit or loss - current	46,875	482	-	482	
	Engro Corp Ltd.	-	Financial assets at fair value through profit or loss - current	2,000	54	-	54	
ACCHC	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Financial assets at fair value through profit or loss - current	7,308	282,564	-	282,564	

Note 1: Marketable securities in this table are shares, bonds, beneficiary certificates and securities derived from these items under IFRS 9 “Financial Instruments: Recognition and Measurement”.

Note 2: The carrying amounts of financial instruments measured at fair values are adjusted for fair value less accumulated impairment loss; the carrying amounts of financial instruments not measured at fair values are the original cost or amortized cost less accumulated impairment loss.

Note 3: 5,000 thousand shares (\$107,250 thousand) of the securities are pledged as collaterals for bank loans of DCI.

(Concluded)

TABLE 4

ASIA CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
ACCHC	<u>Note receivables</u>													
	EastPatron Limited	Financial assets at amortized cost - current	AMC Wanhai Securities Limited	-	700 (Note)	\$ 1,990,098	-	\$ -	700 (Note)	\$ 1,955,730	\$ 1,952,361	\$ 3,369	-	\$ -
	Marble Arch Industrial Limited	Same as above	AMC Wanhai Securities Limited	-	700 (Note)	1,990,098	-	-	700 (Note)	1,955,730	1,953,847	1,883	-	-
	Prime Harbour Holdings Limited	Same as above	AMC Wanhai Securities Limited	-	790 (Note)	2,245,967	-	-	790 (Note)	2,212,366	2,211,076	1,290	-	-
	Sino Horizon International Limited	Same as above	AMC Wanhai Securities Limited	-	700 (Note)	1,990,098	-	-	700 (Note)	1,978,186	1,977,381	805	-	-
	Wynn Fortune Global Limited	Same as above	AMC Wanhai Securities Limited	-	790 (Note)	2,245,967	-	-	790 (Note)	2,212,366	2,211,196	1,170	-	-

Note: The price per subscription unit is US\$100,000.

TABLE 5

ASIA CEMENT CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	YTRMC	A subsidiary of the Corporation	Sales	\$ (1,743,283)	(19)	Purchase 45 days after monthly closing	\$ -	-	\$ 379,895	38	
	ACSPL	A subsidiary of the Corporation	Sales	(611,164)	(7)	Average 30 days	-	-	64,563	6	
	U-Ming	An investee accounted for by equity method	Sales freight expense	479,499	5	Purchase 30 days after monthly closing	-	-	(69,740)	(3)	
	U-Ming Singapore	A subsidiary of an investee accounted for by equity method	Freight-in	300,067	4	Average 10 days	-	-	-	-	
	YSRMC	A sub-subsidiary of the Corporation	Sales	(236,760)	(3)	Purchase 45 days after monthly closing	-	-	34,186	3	
	NHC	A subsidiary of the Corporation	Purchase	227,810	3	Purchase 45 days after monthly closing	-	-	(27,620)	(1)	
	YLT	A subsidiary of the Corporation	Sales freight expense	145,697	2	Average 30 days	-	-	(24,177)	(1)	
	The Corporation	Parent company	Purchase	1,743,283	18	Purchase 45 days after monthly closing	-	-	(379,895)	(18)	
	CHC Resources Corporation	Other related party	Purchase	457,558	5	Purchase 45 days after monthly closing	-	-	(57,158)	(3)	
YTRMC	Far Eastern General Construction Inc.	Other related party	Sales	(331,964)	(3)	Average 90 days	-	-	125,840	3	
	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	(818,258)	(86)	Average 60 days	-	-	164,353	88	
	The Corporation	Parent company	Purchase	611,164	68	Average 30 days	-	-	(64,563)	(49)	
FMT	FENC	An investee accounted for by equity method	Sales	(316,960)	(28)	Purchase 30 days after monthly closing	-	-	46,664	23	
	Air Liquide Far Eastern Co.	Other related party	Sales	(158,166)	(14)	Purchase 120 days after monthly closing	-	-	63,437	31	
NHC	The Corporation	Parent company	Sales	(227,810)	(49)	Purchase 45 days after monthly closing	-	-	27,620	44	
	CHC Resources Corporation	Other related party	Sales	(109,540)	(23)	Purchase 45 days after monthly closing	-	-	8,878	14	
YLT	CHC Resources Corporation	Other related party	Sales	(191,208)	(57)	Purchase 30 days after monthly closing	-	-	26,768	53	
	The Corporation	Parent company	Sales	(145,697)	(43)	Average 30 days	-	-	24,177	47	
YLPPC	Far Eastern General Construction Inc.	Other related party	Sales	(172,853)	(40)	Within 90 days	-	-	18,829	20	
YSRMC	The Corporation	Parent company	Purchase	236,760	23	Purchase 45 days after monthly closing	-	-	(34,186)	(25)	
FDT	Oriental Petrochemical (Taiwan) Co., Ltd.	Other related party	Sales	(164,904)	(18)	Purchase 110 days after monthly closing	-	-	48,160	36	
	Oriental Union Chemical Corp	Other related party	Sales	(114,825)	(12)	Purchase 75 days after monthly closing	-	-	9,725	7	
JYDC	YYDCCL	The same ultimate parent company	Sales	(2,223,890)	(10)	Within 50 days	-	-	255,677	10	
	TZOCCL	The same ultimate parent company	Sales	(1,385,707)	(6)	Within 50 days	-	-	171,164	6	
	NYDC	A subsidiary of the Corporation	Purchase	1,005,273	6	Within 50 days	-	-	(143,090)	(11)	
	WYDC	The same ultimate parent company	Sales	(728,150)	(3)	Within 50 days	-	-	107,878	4	
	NYDC	A subsidiary of the Corporation	Sales	(306,634)	(1)	Within 50 days	-	-	21,181	1	
	HGYDC	The same ultimate parent company	Purchase	276,708	2	Within 50 days	-	-	(116,606)	(9)	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	240,155	1	Within 50 days	-	-	(32,217)	(2)	
	RYNM	A subsidiary of the Corporation	Sales	(215,513)	(1)	Within 50 days	-	-	-	-	
	WAMTC	An investee accounted for by equity method	Sales freight expense	121,754	1	Within 90 days	-	-	(16,038)	(1)	
	NYLC	A subsidiary of the Corporation	Purchase	121,279	1	Within 50 days	-	-	(11,878)	(1)	
	HYDCCL	The same ultimate parent company	Sales	(120,658)	(1)	Within 50 days	-	-	28,498	1	
YYDCCL	JYDC	The same ultimate parent company	Purchase	2,223,890	77	Within 50 days	-	-	(255,677)	(88)	
	WAMTC	An investee accounted for by equity method	Sales freight expense	104,299	3	Within 90 days	-	-	(10,619)	(4)	
SIYDCCL	SLCL	The same ultimate parent company	Sales	(1,084,288)	(11)	Within 90 days	-	-	32,155	2	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
WYDC	JYDC	The same ultimate parent company	Purchase	\$ 728,150	65	Within 50 days	\$ -	-	\$ (107,878)	(80)	
HYDCCL	HGYDC	The same ultimate parent company	Purchase	594,164	10	Within 50 days	-	-	(8,362)	(3)	
	HXMC	An investee accounted for by equity method	Purchase	153,074	3	Within 50 days	-	-	(16,232)	(5)	
HYDCCL	JYDC	The same ultimate parent company	Purchase	120,658	2	Within 50 days	-	-	(28,498)	(9)	
HGYDC	HYDCCL	The same ultimate parent company	Sales	(594,164)	(15)	Within 50 days	-	-	8,362	2	
	JYDC	The same ultimate parent company	Sales	(276,708)	(7)	Within 50 days	-	-	116,606	25	
TZOCCL	JYDC	The same ultimate parent company	Purchase	1,385,707	97	Within 50 days	-	-	(171,164)	(95)	
SLCL	SIYDCCL	The same ultimate parent company	Purchase	1,084,288	24	Within 90 days	-	-	(32,155)	(14)	
	SYTCL	The same ultimate parent company	Sales freight expense	190,978	3	Within 90 days	-	-	(13,333)	(6)	
NYDC	JYDC	Parent company	Sales	(1,005,273)	(100)	Within 50 days	-	-	143,090	100	
	JYDC	Parent company	Purchase	306,634	33	Within 50 days	-	-	(21,181)	(62)	
JYLTC	JYDC	Parent company	Sales	(240,155)	(72)	Within 50 days	-	-	32,217	80	
RYNM	JYDC	Parent company	Purchase	215,513	96	Within 50 days	-	-	-	-	
SYTCL	SLCL	The same ultimate parent company	Sales	(190,978)	(61)	Within 90 days	-	-	13,333	43	
NYLC	JYDC	Parent company	Sales	(121,279)	(19)	Within 50 days	-	-	11,878	5	

(Concluded)

TABLE 6**ASIA CEMENT CORPORATION AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Corporation	YTRMC	A subsidiary of the Corporation	\$ 449,255	4.89 times	\$ -	-	\$ 385,216	\$ -
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	164,353	5.31 times	-	-	164,353	-
YTRMC	Far Eastern General Construction Inc.	Other related party	125,840	2.23 times	-	-	47,047	-
JYDC	YYDCCL	The same ultimate parent company	255,677	9.07 times	-	-	255,677	-
	TZOCCL	The same ultimate parent company	171,164	9.87 times	-	-	171,164	-
	WYDC	The same ultimate parent company	107,878	4.88 times	-	-	107,877	-
NYDC	JYDC	Parent company	143,090	5.73 times	-	-	129,840	-
HGYDC	JYDC	The same ultimate parent company	116,606	3.99 times	-	-	116,060	-
SIYDCCL	ACCHC	Parent company	2,623,907	Note	-	-	-	-
HYDCCL	ACCHC	Parent company	1,885,483	Note	-	-	-	-
JYDC	ACCHC	Parent company	1,309,426	Note	-	-	-	-
HGYDC	ACCHC	Parent company	1,096,130	Note	-	-	-	-
WYDC	ACCHC	Parent company	526,181	Note	-	-	-	-
SIYDCCL	SYCPCL	The same ultimate parent company	260,320	Note	-	-	-	-
ACIHPL	ACCHC	Parent company	194,497	Note	-	-	-	-
SLCL	SLCCL	A subsidiary of the Corporation	151,854	Note	-	-	-	-
JYDC	SHYLCP	The same ultimate parent company	114,975	Note	-	-	-	-

Note: The accounts receivable from financing.

TABLE 7

ASIA CEMENT CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
The Corporation	ACCHC	Cayman	Investment	\$ 13,660,637	\$ 13,660,637	1,061,209,202	67.73	\$ 50,282,807	\$ 7,671,037	\$ 5,195,593	A subsidiary of the Corporation
	FENC	Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	37,915,642	9,684,584	1,460,906	
	DCI	Taiwan	Investment	2,556,033	2,556,033	699,853,425	99.99	14,857,396	1,124,160	1,124,138	A subsidiary of the Corporation
	CHP	Taiwan	Power plant	8,502,050	8,501,564	568,307,076	99.70	10,682,130	1,046,477	1,043,341	A subsidiary of the Corporation
	U-Ming	Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	10,075,328	4,892,584	1,920,354	
	CSCGL	Cayman	Investment	4,821,008	4,821,008	331,878,315	7.62	7,100,277	12,065,305	852,970	
	ACSPL	Singapore	Cement	188,277	186,958	10,499,432	99.99	5,189,295	574,930	574,829	A subsidiary of the Corporation
	AIC	Taiwan	Investment	1,212,679	1,212,679	322,729,001	100.00	4,890,550	891,548	891,548	A subsidiary of the Corporation
	YDC	Taiwan	Investment	2,232,220	2,232,220	178,707,648	35.50	3,095,471	(222,131)	(86,360)	
	YTRMC	Taiwan	Ready-mixed concrete, cement - related products	1,042,261	1,042,260	199,991,832	99.99	3,458,148	1,226,966	1,226,953	A subsidiary of the Corporation
	YYI	Taiwan	Investment	911,058	911,058	155,000,823	29.92	2,584,547	744,713	222,819	
	YLSS	Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	2,292,526	359,381	351,095	A subsidiary of the Corporation
	OSC	Taiwan	Broker	154,207	154,207	136,713,259	18.93	2,016,395	294,562	55,759	
	FMT	Taiwan	Transportation	70,177	70,174	29,553,934	99.95	1,571,941	307,096	306,938	A subsidiary of the Corporation
	FEDSDL	Taiwan	Retails	500,000	500,000	53,250,000	25.00	640,234	73,257	18,314	
	YDLC	Taiwan	Leasing	309,049	309,049	34,640,189	43.60	377,521	20,500	8,938	
	NHC	Taiwan	Cement, granulated blast-furnace slag	411,106	411,106	26,138,828	99.98	319,916	56,926	56,915	A subsidiary of the Corporation
	YLT	Taiwan	Transportation	25,012	25,012	5,160,754	51.61	271,289	58,328	30,103	A subsidiary of the Corporation
	AEE	Taiwan	Engineering	7,906	7,895	8,093,680	99.74	183,476	60,392	60,189	A subsidiary of the Corporation
	YLPPC	Taiwan	Cement - related products	145,079	145,061	16,264,709	83.94	123,603	43,563	36,560	A subsidiary of the Corporation
	EISF	Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	87,060	24,027	9,707	
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	52,506	(1,121)	(1,121)	A subsidiary of the Corporation
DCI	FEC	Taiwan	Construction	140,138	140,138	127,471,221	33.76	5,163,484	1,046,486	Not applicable	
	FENC	Taiwan	Textile	1,263,385	1,263,385	82,812,887	1.55	2,433,978	9,684,584	Not applicable	
	YDC	Taiwan	Investment	289,987	289,987	72,989,438	14.50	1,270,339	(222,131)	Not applicable	
	CSCGL	Cayman	Investment	872,619	872,619	56,297,000	1.29	1,203,469	12,065,305	Not applicable	
	KCC	Hong Kong	Cement	36,024	36,024	1,127,000	49.00	442,960	23,511	Not applicable	A sub-subsiidiary of the Corporation
	Catalyst Tranche Three	B.V.I.	Investment	236,880	123,960	8,000	25.00	235,904	425	Not applicable	
	FSMS	Taiwan	Mining excavation, mineral processing and sales	112,096	112,096	1,294,270	99.56	121,857	(5,744)	Not applicable	A sub-subsiidiary of the Corporation
	Catalyst Tranche Two	B.V.I.	Investment	112,920	-	4,000	25.00	116,675	25,833	Not applicable	
	Catalyst Tranche One	B.V.I.	Investment	123,120	123,120	4,000	25.00	111,512	(332)	Not applicable	
	U-Ming	Taiwan	Marine transportation	27,619	27,619	468,486	0.06	30,375	4,892,584	Not applicable	
	ACL	B.V.I.	Investment	831,346	553,246	28,500,000	100.00	1,040,628	88,895	Not applicable	A sub-subsiidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
NHC	ACM	B.V.I.	Investment	\$ 810,431	\$ 532,331	27,800,000	100.00	\$ 926,955	\$ 75,476	Not applicable	A sub-subsidiary of the Corporation
	ACM II	B.V.I.	Investment	546,917	268,817	19,300,000	100.00	625,247	38,448	Not applicable	A sub-subsidiary of the Corporation
	ACM III	B.V.I.	Investment	546,917	268,817	19,300,000	100.00	676,158	44,022	Not applicable	A sub-subsidiary of the Corporation
	ACM IV	B.V.I.	Investment	762,554	484,454	26,200,000	100.00	1,080,557	93,334	Not applicable	A sub-subsidiary of the Corporation
	CSCGL	Cayman	Investment	282,957	282,957	9,250,000	0.21	197,013	12,065,305	Not applicable	
	PGIC	Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	55,617	20,551	Not applicable	
	FENC	Taiwan	Textile	15,240	15,240	1,739,978	0.03	38,893	9,684,584	Not applicable	
	U-Ming	Taiwan	Marine transportation	1,027	1,027	64,143	0.01	843	4,892,584	Not applicable	
YTRMC	YTV	Vietnam	Ready-mixed concrete	201,823	201,823	(Note)	100.00	282,148	6,204	Not applicable	A sub-subsidiary of the Corporation
	YSRMC	Taiwan	Ready-mixed concrete	69,955	69,955	6,995,000	69.95	165,219	111,603	Not applicable	A sub-subsidiary of the Corporation
	AOG	Guam	Investment	236,240	236,240	(Note)	95.04	(18,432)	(11,542)	Not applicable	A sub-subsidiary of the Corporation
FMT	FDT	Taiwan	Transportation	30,894	30,894	37,959,570	99.94	908,774	146,757	Not applicable	A sub-subsidiary of the Corporation
	FENC	Taiwan	Textile	28,773	40,263	3,155,299	0.06	75,473	9,684,584	Not applicable	
FDT	YDEC	Taiwan	Retail	160,424	160,424	33,326,840	26.95	628,571	131,827	Not applicable	
	FENC	Taiwan	Textile	31,322	31,322	1,020,000	0.02	30,116	9,684,584	Not applicable	
	U-Ming	Taiwan	Marine transportation	1,891	1,891	50,000	0.01	1,707	4,892,584	Not applicable	
AEE	CSCGL	Cayman	Investment	266,942	266,942	8,368,000	0.19	178,237	12,065,305	Not applicable	
	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	110,441	7,671,037	Not applicable	A subsidiary of the Corporation
	U-Ming	Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	31,413	4,892,584	Not applicable	
YLPPC	YDEC	Taiwan	Retail	20,776	20,776	4,811,304	3.89	90,652	131,827	Not applicable	
	YLPCIP	India	Tunnel lining segments	8,338	8,338	(Note)	99.99	1,697	-	Not applicable	A sub-subsidiary of the Corporation
	AOG	Guam	Investment	66,816	66,816	(Note)	4.96	(962)	(11,542)	Not applicable	A sub-subsidiary of the Corporation
AIC	FENC	Taiwan	Textile	405,473	405,473	15,430,293	0.29	635,350	9,684,584	Not applicable	
	CSCGL	Cayman	Investment	556,895	556,895	31,528,000	0.72	673,075	12,065,305	Not applicable	
	U-Ming	Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	63,387	4,892,584	Not applicable	
	EISF	Taiwan	Iron and steel	15,649	15,649	660,000	8.33	17,951	24,027	Not applicable	
	CHP	Taiwan	Power plant	376	376	45,568	0.01	850	1,046,477	Not applicable	A subsidiary of the Corporation
	FMT	Taiwan	Transportation	176	176	5,000	0.02	272	307,096	Not applicable	A subsidiary of the Corporation
	FDT	Taiwan	Transportation	110	110	9,717	0.03	199	146,757	Not applicable	A sub-subsidiary of the Corporation
	FSMS	Taiwan	Mining excavation, mineral processing and sales	119	119	5,000	0.38	125	(5,744)	Not applicable	A sub-subsidiary of the Corporation
	AEE	Taiwan	Engineering	116	116	6,000	0.07	120	60,392	Not applicable	A subsidiary of the Corporation
	DCI	Taiwan	Investment	76	76	6,346	-	76	1,124,160	Not applicable	A subsidiary of the Corporation
	NHC	Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	56,926	Not applicable	A subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
	YSRMC	Taiwan	Ready-mixed concrete	\$ 37	\$ 37	5,000	0.05	\$ 44	\$ 111,603	Not applicable	A sub-subsidiary of the Corporation
	YTRMC	Taiwan	Ready-mixed concrete, cement - related products	53	53	7,268	-	53	1,226,966	Not applicable	A subsidiary of the Corporation
	ACP.	B.V.I.	Investment	2,072,420	1,794,320	68,550,000	100.00	2,642,204	278,535	Not applicable	A sub-subsidiary of the Corporation
	ACP II.	B.V.I.	Investment	807,911	529,811	27,800,000	100.00	1,072,944	92,138	Not applicable	A sub-subsidiary of the Corporation
	ACP III	B.V.I.	Investment	553,917	275,817	19,300,000	100.00	598,911	34,685	Not applicable	A sub-subsidiary of the Corporation
	ACP IV	B.V.I.	Investment	553,910	275,810	19,110,000	100.00	676,521	45,171	Not applicable	A sub-subsidiary of the Corporation
	ACE	B.V.I.	Investment	582,543	304,443	20,215,000	100.00	444,204	15,650	Not applicable	A sub-subsidiary of the Corporation
YLT	U-Ming	Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	301,057	4,892,584	Not applicable	
ACE	CSCGL	Cayman	Investment	266,882	266,882	7,480,000	0.17	159,383	12,065,305	Not applicable	
	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,531	1,531	33	33.00	1,498	10	Not applicable	
	Drive Catalyst SPC	Cayman	Investment	494	494	33	33.00	467	4	Not applicable	
ACP	CSCGL	Cayman	Investment	1,959,250	1,959,250	107,536,000	2.47	2,301,001	12,065,305	Not applicable	
ACP II	CSCGL	Cayman	Investment	544,689	544,689	36,865,000	0.85	790,022	12,065,305	Not applicable	
ACP III	CSCGL	Cayman	Investment	290,967	290,967	14,790,000	0.34	316,576	12,065,305	Not applicable	
ACP IV	CSCGL	Cayman	Investment	292,032	292,032	18,514,000	0.43	397,915	12,065,305	Not applicable	
ACL	CSCGL	Cayman	Investment	567,556	567,556	35,569,000	0.82	762,205	12,065,305	Not applicable	
ACM	CSCGL	Cayman	Investment	554,533	554,533	30,251,000	0.70	649,210	12,065,305	Not applicable	
ACM II	CSCGL	Cayman	Investment	293,393	293,393	16,058,000	0.37	344,032	12,065,305	Not applicable	
ACM III	CSCGL	Cayman	Investment	292,743	292,743	18,477,000	0.42	393,730	12,065,305	Not applicable	
ACM IV	CSCGL	Cayman	Investment	504,078	504,078	37,410,000	0.86	800,750	12,065,305	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	35	36	10,000	100.00	168,471	17,204	Not applicable	A sub-subsidiary of the Corporation
	Join Fortune Trading Ltd.	B.V.I.	Investment	66,218	68,552	2,427,307	100.00	4,180	889	Not applicable	A sub-subsidiary of the Corporation
JFTL	Profit Enterprises Int'l Ltd.	Hong Kong	Barge transportation	4,291	22,222	6,100,000	50.00	4,303	1,973	Not applicable	
AOG	Perez-Mtec-ACC, LLC	Guam	Ready-mixed concrete	8,289	8,529	(Note)	33.33	40	-	Not applicable	
	Asia Oriental Concrete, LLC	Guam	Ready-mixed concrete	219,659	226,019	(Note)	71.68	(30,702)	(16,278)	Not applicable	A sub-subsidiary of the Corporation
ACSPL	ACCHC	Cayman	Investment	552,600	568,600	63,790,798	4.07	3,021,571	7,671,037	Not applicable	A subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd.	Singapore	Ready-mixed concrete	142,590	150,290	6,000,000	50.00	445,899	406,473	Not applicable	
	OCPL	Singapore	Ready-mixed concrete, leasing	346,290	364,990	17,000,000	100.00	244,832	3,596	Not applicable	A sub-subsidiary of the Corporation
ACCHC	PIHPL	B.V.I.	Investment	24,331,337	25,035,828	9,379,303	100.00	83,270,068	8,178,776	Not applicable	A sub-subsidiary of the Corporation

Note: This is not a company limited by shares.

(Concluded)

TABLE 8

ASIA CEMENT CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
SHYLCF	It manufactures and sells ready-mixed concrete and cement - related products	US\$15,000 (equivalent to NT\$414,450 thousand)	(2)	US\$12,000 (equivalent to NT\$331,560 thousand)	\$ -	\$ -	US\$12,000 (equivalent to NT\$331,560 thousand)	RMB2,112 (equivalent to NT\$9,175 thousand)	72.00	RMB1,520 (equivalent to NT\$6,603 thousand)	RMB9,117 (equivalent to NT\$39,510 thousand)	US\$800 (equivalent to NT\$22,104 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US\$356,104 (equivalent to NT\$9,839,154 thousand)	(2)	US\$143,817 (equivalent to NT\$3,973,664 thousand)	-	-	US\$143,817 (equivalent to NT\$3,973,664 thousand)	RMB1,021,767 (equivalent to NT\$4,438,822 thousand)	68.40	RMB698,889 (equivalent to NT\$3,036,156 thousand)	RMB4,462,391 (equivalent to NT\$19,338,396 thousand)	US\$50,781 (equivalent to NT\$1,403,079 thousand) RMB1,050,973 (equivalent to NT\$4,554,539 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US\$36,140 (equivalent to NT\$998,548 thousand)	(2)	US\$26,550 (equivalent to NT\$733,577 thousand)	-	-	US\$26,550 (equivalent to NT\$733,577 thousand)	RMB(14,195) (equivalent to NT\$(61,667) thousand)	72.00	RMB(10,220) (equivalent to NT\$(44,398) thousand)	RMB443,731 (equivalent to NT\$1,922,970 thousand)	US\$4,469 (equivalent to NT\$123,478 thousand) RMB3,533 (equivalent to NT\$15,311 thousand)
SHYFCF	It manufactures and sells ready-mixed concrete and cement - related products	N/A	N/A	US\$1,270 (equivalent to NT\$35,090 thousand)	-	-	US\$1,270 (equivalent to NT\$35,090 thousand)	N/A	N/A	N/A	N/A	-
OHC	Investment	US\$204,191 (equivalent to NT\$5,641,797 thousand)	(2)	US\$55,000 (equivalent to NT\$1,519,650 thousand)	-	-	US\$55,000 (equivalent to NT\$1,519,650 thousand)	RMB161,179 (equivalent to NT\$700,203 thousand)	72.00	RMB116,049 (equivalent to NT\$504,147 thousand)	RMB2,442,596 (equivalent to NT\$10,585,332 thousand)	US\$809 (equivalent to NT\$22,353 thousand)
NYLC	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$260,018 thousand)	(2)	-	-	-	-	RMB(21,266) (equivalent to NT\$(92,385) thousand)	68.40	RMB(14,546) (equivalent to NT\$(63,192) thousand)	RMB101,023 (equivalent to NT\$437,797 thousand)	-
NYDC	It manufactures and sells cement, slag powder and slag cement.	RMB90,000 (equivalent to NT\$390,028 thousand)	(2)	-	-	-	-	RMB1,348 (equivalent to NT\$5,856 thousand)	52.20	RMB704 (equivalent to NT\$3,058 thousand)	RMB84,382 (equivalent to NT\$365,681 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$368,340 (equivalent to NT\$10,177,234 thousand)	(2)	US\$94,594 (equivalent to NT\$2,613,632 thousand)	-	-	US\$94,594 (equivalent to NT\$2,613,632 thousand)	RMB669,925 (equivalent to NT\$2,910,328 thousand)	72.00	RMB482,346 (equivalent to NT\$2,095,436 thousand)	RMB4,144,953 (equivalent to NT\$17,962,734 thousand)	US\$27,009 (equivalent to NT\$746,259 thousand) RMB499,190 (equivalent to NT\$2,163,310 thousand)
CYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$4,100 (equivalent to NT\$113,283 thousand)	(2)	US\$2,100 (equivalent to NT\$58,023 thousand)	-	-	US\$2,100 (equivalent to NT\$58,023 thousand)	RMB4,226 (equivalent to NT\$18,359 thousand)	72.00	RMB3,043 (equivalent to NT\$13,220 thousand)	RMB56,665 (equivalent to NT\$245,566 thousand)	US\$77 (equivalent to NT\$2,128 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT\$54,171 thousand)	(2)	-	-	-	-	RMB4,470 (equivalent to NT\$19,419 thousand)	70.12	RMB3,135 (equivalent to NT\$13,619 thousand)	RMB26,152 (equivalent to NT\$113,333 thousand)	-
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$154,800 (equivalent to NT\$4,277,124 thousand)	(2)	US\$57,600 (equivalent to NT\$1,591,488 thousand)	-	-	US\$57,600 (equivalent to NT\$1,591,488 thousand)	RMB106,510 (equivalent to NT\$462,707 thousand)	72.00	RMB76,687 (equivalent to NT\$333,148 thousand)	RMB1,806,531 (equivalent to NT\$7,828,855 thousand)	US\$12,990 (equivalent to NT\$358,914 thousand) RMB221,904 (equivalent to NT\$961,652 thousand)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
CYSPC	Slag powder	N/A	N/A	US\$980 (equivalent to NT\$27,077 thousand)	\$ -	\$ -	US\$980 (equivalent to NT\$27,077 thousand)	N/A	N/A	N/A	N/A	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$3,300 (equivalent to NT\$91,179 thousand)	(2)	US\$2,970 (equivalent to NT\$82,061 thousand)	-	-	US\$2,970 (equivalent to NT\$82,061 thousand)	RMB14,830 (equivalent to NT\$64,425 thousand)	72.00	RMB10,678 (equivalent to NT\$46,388 thousand)	RMB12,851 (equivalent to NT\$55,692 thousand)	-
SYTCL	Transportation	US\$3,500 (equivalent to NT\$96,705 thousand)	(2)	US\$3,150 (equivalent to NT\$87,035 thousand)	-	-	US\$3,150 (equivalent to NT\$87,035 thousand)	RMB136 (equivalent to NT\$591 thousand)	72.00	RMB98 (equivalent to NT\$426 thousand)	RMB33,293 (equivalent to NT\$144,280 thousand)	US\$992 (equivalent to NT\$27,409 thousand)
YYDCCL	Cement, slag powder and ready-mixed concrete (including cement - related products)	US\$35,530 (equivalent to NT\$981,694 thousand)	(2)	US\$15,849 (equivalent to NT\$437,908 thousand)	-	-	US\$15,849 (equivalent to NT\$437,908 thousand)	RMB48,356 (equivalent to NT\$210,071 thousand)	72.00	RMB34,817 (equivalent to NT\$151,254 thousand)	RMB313,348 (equivalent to NT\$1,357,937 thousand)	US\$1,016 (equivalent to NT\$28,072 thousand) RMB31,173 (equivalent to NT\$135,093 thousand)
HGYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$86,170 (equivalent to NT\$2,380,877 thousand)	(2)	US\$15,350 (equivalent to NT\$424,121 thousand)	-	-	US\$15,350 (equivalent to NT\$424,121 thousand)	RMB166,291 (equivalent to NT\$722,411 thousand)	72.00	RMB119,730 (equivalent to NT\$520,138 thousand)	RMB1,048,913 (equivalent to NT\$4,545,611 thousand)	US\$1,837 (equivalent to NT\$50,756 thousand) RMB132,908 (equivalent to NT\$575,975 thousand)
HYTCL	Transportation	RMB13,000 (equivalent to NT\$56,337 thousand)	(2)	-	-	-	-	RMB(565) (equivalent to NT\$(2,455) thousand)	72.00	RMB(407) (equivalent to NT\$(1,768) thousand)	RMB13,215 (equivalent to NT\$57,269 thousand)	-
WYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$260,018 thousand)	(2)	-	-	-	-	RMB(33,727) (equivalent to NT\$(146,519) thousand)	72.00	RMB(24,283) (equivalent to NT\$(105,492) thousand)	RMB45,766 (equivalent to NT\$198,333 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$390,028 thousand)	(2)	-	-	-	-	RMB20,150 (equivalent to NT\$87,537 thousand)	64.79	RMB12,598 (equivalent to NT\$54,729 thousand)	RMB249,500 (equivalent to NT\$1,081,243 thousand)	-
HZYCCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB30,000 (equivalent to NT\$130,009 thousand)	(2)	-	-	-	-	RMB1,542 (equivalent to NT\$6,699 thousand)	28.80	RMB444 (equivalent to NT\$1,929 thousand)	RMB15,348 (equivalent to NT\$66,513 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT\$43,336 thousand)	(2)	-	-	-	-	RMB15,171 (equivalent to NT\$65,907 thousand)	28.80	RMB4,207 (equivalent to NT\$18,276 thousand)	RMB8,561 (equivalent to NT\$37,100 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT\$153,844 thousand)	(2)	-	-	-	-	RMB8,518 (equivalent to NT\$37,004 thousand)	34.20	RMB3,121 (equivalent to NT\$13,558 thousand)	RMB35,001 (equivalent to NT\$151,682 thousand)	-
TZOCCL	Cement - related products	US\$16,000 (equivalent to NT\$442,080 thousand)	(2)	-	-	-	-	RMB14,980 (equivalent to NT\$65,077 thousand)	72.00	RMB10,246 (equivalent to NT\$44,511 thousand)	RMB77,505 (equivalent to NT\$335,879 thousand)	-
SLCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB600,000 (equivalent to NT\$2,600,184 thousand)	(2)	-	-	-	-	RMB197,517 (equivalent to NT\$858,065 thousand)	72.00	RMB140,212 (equivalent to NT\$609,117 thousand)	RMB1,709,257 (equivalent to NT\$7,407,305 thousand)	-
SLCCL	Cement - related products	RMB20,000 (equivalent to NT\$86,673 thousand)	(2)	-	-	-	-	RMB(1,695) (equivalent to NT\$(7,364) thousand)	72.00	RMB(1,220) (equivalent to NT\$(5,300) thousand)	RMB(17,441) (equivalent to NT\$(75,583) thousand)	-
YDES	Wholesale of chemical products and machinery equipment, design and development of computer software and network technology	RMB1,763,425 (equivalent to NT\$7,642,049 thousand)	(2)	-	-	-	-	RMB(41,754) (equivalent to NT\$(181,390) thousand)	28.80	RMB(50,430) (equivalent to NT\$(219,081) thousand)	RMB480,660 (equivalent to NT\$2,083,007 thousand)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
RYNM	Building materials, products and construction waste	RMB2,000 (equivalent to NT\$8,667 thousand)	(2)	-	\$ -	\$ -	-	RMB104,166 (equivalent to NT\$452,524 thousand)	68.40	RMB71,249 (equivalent to NT\$309,524 thousand)	RMB75,878 (equivalent to NT\$328,828 thousand)	-
JRYNM	Mineral resource mining, port management, waterway general goods transportation and construction	RMB10,000 (equivalent to NT\$43,336 thousand)	(2)	-	-	-	-	RMB(686) (equivalent to NT\$(2,980) thousand)	30.78	RMB(211) (equivalent to NT\$(917) thousand)	RMB2,867 (equivalent to NT\$12,425 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$648,051 (Note 3) (Equivalent to NT\$17,905,649 thousand)	US\$2,284,279 (Equivalent to NT\$63,114,629 thousand)	(Note 4)

- Note 1: The accrual is based on the financial statements audited by independent auditors.
- Note 2: The investor companies were incorporated in Mainland China by a company (2) (ACCHC) which was incorporated in the area other than Taiwan and Mainland China in order to invest in Mainland China.
- Note 3: As of December 31, 2021, accumulated investments in China Shanshui Cement Group Ltd, which is listed at HKEx, and China Shanshui Investment Company Limited were US\$150,620 thousand and US\$66,201 thousand, respectively, which were included in Accumulated Outward Remittance for Investment in Mainland China.
- Note 4: The Corporation obtained certificate No. 10920439220 from Industrial Development Bureau, Ministry of Economic Affairs, according to the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”, the accumulation of fund is not limited.
- Note 5: The foreign currency amounts of original investment amount and carrying amount are expressed in New Taiwan dollars at exchange rate as of December 31, 2021 the foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2021.

(Concluded)

TABLE 9

ASIA CEMENT CORPORATION AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
0	The Corporation	YTRMC	1	Sales	\$ 1,813,917	Based on regular terms	2
			1	Accounts receivable	449,255	Based on regular terms	-
		ACSPL	1	Sales	611,164	Based on regular terms	1
		YSRMC	1	Sales	236,760	Based on regular terms	-
1	NHC	The Corporation	2	Sales	227,810	Based on regular terms	-
2	YLT	The Corporation	2	Sales	145,697	Based on regular terms	-
3	ACCHC	PIHPL	1	Dividends receivable	1,803,785	Based on regular terms	1
4	PIHPL	ACIHPL	1	Dividends receivable	952,720	Based on regular terms	-
		OIHPL	1	Dividends receivable	851,065	Based on regular terms	-
5	ACIHPL	JYDC	1	Dividends receivable	2,005,726	Based on regular terms	1
6	OIHPL	SIYDCCL	1	Dividends receivable	1,627,543	Based on regular terms	1
		ACCHC	2	Other receivables	194,497	Based on regular terms	-
		YYDCCL	1	Dividends receivable	164,172	Based on regular terms	-
7	SIYDCCL	ACCHC	2	Other receivables	2,623,907	Based on regular terms	1
		SLCL	1	Sales	1,084,288	Based on regular terms	1
		SYCPCL	3	Other receivables	260,320	Based on regular terms	-
8	JYDC	YYDCCL	3	Sales	2,223,890	Based on regular terms	2
			3	Accounts receivable	255,677	Based on regular terms	-
		TZOCCL	3	Sales	1,385,707	Based on regular terms	2
			3	Accounts receivable	171,164	Based on regular terms	-
		ACCHC	2	Other receivables	1,309,426	Based on regular terms	-
		WYDC	3	Sales	728,150	Based on regular terms	1
			3	Accounts receivable	107,878	Based on regular terms	-
		NYDC	1	Sales	306,634	Based on regular terms	-
		RYNM	1	Sales	215,513	Based on regular terms	-
		HYDCCL	3	Sales	120,658	Based on regular terms	-
		SHYLCF	3	Other receivables	114,975	Based on regular terms	-
9	HYDCCL	ACCHC	2	Other receivables	1,885,483	Based on regular terms	1

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
10	HGYDC	ACCHC HYDCCL JYDC	2	Other receivables	\$ 1,096,130	Based on regular terms	-
			3	Sales	594,164	Based on regular terms	1
			3	Sales	276,708	Based on regular terms	-
			3	Accounts receivable	116,606	Based on regular terms	-
11	NYDC	JYDC	2	Sales	1,005,273	Based on regular terms	1
			2	Accounts receivable	143,090	Based on regular terms	-
12	WYDC	ACCHC	2	Other receivables	526,181	Based on regular terms	-
13	SYTCL	SLCL	3	Sales	190,978	Based on regular terms	-
14	JYLTC	JYDC	2	Sales	240,155	Based on regular terms	-
15	SLCL	SLCCL	1	Other receivables	151,854	Based on regular terms	-
16	NYLC	JYDC	2	Sales	121,279	Based on regular terms	-

Note: 1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

(Concluded)

TABLE 10**ASIA CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
FENC	750,511,324	21.16
Far Eastern Medical Foundation	181,566,797	5.12

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Asia Cement Corporation

**Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying financial statements of Asia Cement Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Corporation's financial statements for the year ended December 31, 2021 are described as follows:

Estimated Impairment of Trade Receivables in the Concrete Segment in Subsidiaries Accounted for Using the Equity Method in Mainland China

With the PRC government's property market tightening regulations, the property development sector, of which the indirect and ultimate customers in the concrete segment of the Corporation's subsidiaries accounted for using the equity method in mainland China were a part, faced massive debt and cash flow issues. The management of the Corporation estimates the amount of lifetime expected credit losses (ECLs) of trade receivables based on a provision matrix through grouping of various debtors that have common risk characteristics, after considering the aging and repayment history of the respective trade receivables. Estimated loss rates are based on historical

observed default rates over the expected life of the debtors and are adjusted for forward-looking information. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in the concrete segment in subsidiaries accounted for using the equity method in mainland China as one of the key audit matters.

The corresponding audit procedures that we performed for the estimated impairment of the above trade receivables were as follows:

1. We obtained an understanding of the relevant key controls over the assessment and monitoring of credit risks, and determination of allowance for ECLs.
2. We evaluated the model used by management in determining the allowance for ECLs.
3. We tested the integrity of information used by management to develop the provision matrix, including the aging analysis of trade receivables in the concrete segment of subsidiaries accounted for using the equity method in mainland China as of balance sheet date, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents.
4. We challenged management's basis and judgment in determining the credit loss allowance on trade receivables in the concrete segment of subsidiaries accounted for using the equity method in mainland China as of the balance sheet date, including their identification and provision of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).
5. We obtained confirmations and evidence of subsequent settlements on a sample basis for trade receivable balances in the concrete segment of subsidiaries accounted for using the equity method in mainland China.

Fair Value Measurement of Investment Properties

The Corporation's investment properties are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers; refer to Notes 5 and 15 to the financial statements for the details. Because the valuation of investment properties involves significant judgments and uncertainties, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures that we performed for the fair value measurement of investment properties were as follows:

1. We assessed the professional competence and independence of the appraiser engaged by management and obtained an understanding of the appraiser's scope of work and process of engagement to confirm that no circumstances affect the appraiser's independence and limit the scope of his work.
2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in the valuation.
3. We sample-tested items from management's supporting documents to verify the valuation process used by management and recalculated the fair value of investment properties to assess the reasonableness of management's calculation.

Other Matter

The financial statements of China Shanshui Cement Group Limited (CSCGL) as of December 31, 2021 and 2020, an associate accounted for using the equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the

reports of other auditors. As of December 31, 2021 and 2020, the aggregate carrying amount of the equity-method investments in CSCGL was NT\$16,266,309 thousand and NT\$14,380,091 thousand, respectively, representing 7.1% and 6.7%, respectively, of the total assets. For the years ended December 31, 2021 and 2020, the share of profit or loss of CSCGL was NT\$1,954,372 thousand and NT\$2,146,187 thousand, respectively, representing 12.5% and 13.9%, respectively, of the profit before income tax.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tai, Xin Wei and Chen, Pei De.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

ASIA CEMENT CORPORATION

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 30)	\$ 5,271,395	2	\$ 4,228,490	2
Financial assets at fair value through profit or loss - current (Note 7)	1,906,273	1	1,939,437	1
Financial assets at fair value through other comprehensive income - current (Note 8)	2,004,820	1	1,899,303	1
Financial assets at amortized cost (Notes 6, 9 and 30)	6,016,855	3	1,038,147	-
Notes receivable				
Third parties	86,047	-	90,204	-
Trade receivables				
Third parties (Note 10)	344,232	-	432,838	-
Related parties (Notes 10 and 30)	563,021	-	517,239	-
Other receivables (Note 30)	106,223	-	96,468	-
Inventories (Note 11)	1,296,702	1	1,385,906	1
Prepayments (Note 30)	93,667	-	144,765	-
Other current assets	3,970	-	6,637	-
Total current assets	17,693,205	8	11,779,434	5
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 12, 30 and 31)	154,907,274	67	146,952,667	68
Financial assets at fair value through other comprehensive income - non-current (Note 8)	6,086,097	3	6,051,238	3
Property, plant and equipment (Notes 13, 30 and 31)	4,375,078	2	4,137,094	2
Right-of-use assets (Note 14)	374,548	-	477,318	-
Investment properties (Notes 15 and 31)	42,897,971	18	42,479,693	20
Intangible assets (Note 16)	3,309	-	3,171	-
Deferred tax assets (Note 25)	43,831	-	94,337	-
Other non-current assets (Notes 17, 21 and 30)	4,135,865	2	3,923,293	2
Total non-current assets	212,823,973	92	204,118,811	95
TOTAL	\$ 230,517,178	100	\$ 215,898,245	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 18)	\$ 14,017,168	6	\$ 2,199,722	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	-	-	425,693	-
Contract liabilities - current (Note 23)	87,050	-	89,566	-
Accounts payable and accrued expenses				
Third parties	1,979,885	1	1,717,146	1
Related parties (Note 30)	186,143	-	165,403	-
Dividends and bonuses payable	248,760	-	235,301	-
Current tax liabilities (Note 25)	98,252	-	326,235	-
Lease liabilities - current (Note 14)	23,310	-	76,819	-
Deferred revenue - current (Note 20)	75,912	-	75,912	-
Current portion of long-term liabilities (Note 19)	-	-	9,370,305	5
Total current liabilities	16,716,480	7	14,682,102	7
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	45,131,854	20	38,800,000	18
Long-term borrowings (Note 19)	950,000	1	3,950,000	2
Provisions - non-current	90,843	-	98,000	-
Deferred tax liabilities (Note 25)	9,934,900	4	9,733,184	5
Lease liabilities - non-current (Note 14)	41,319	-	64,629	-
Deferred revenue - non-current (Note 20)	696,069	-	771,981	-
Other non-current liabilities	28,790	-	29,790	-
Total non-current liabilities	56,873,775	25	53,447,584	25
Total liabilities	73,590,255	32	68,129,686	32
EQUITY (Note 22)				
Ordinary shares	35,455,721	15	33,614,472	15
Capital surplus	5,986,339	3	1,492,584	1
Retained earnings				
Legal reserve	19,783,405	9	18,473,057	9
Special reserve	66,476,869	29	65,267,773	30
Unappropriated earnings	28,739,477	12	27,842,666	13
Total retained earnings	114,999,751	50	111,583,496	52
Other equity	485,112	-	1,078,007	-
Total equity	156,926,923	68	147,768,559	68
TOTAL	\$ 230,517,178	100	\$ 215,898,245	100

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 9,134,245	100	\$ 8,991,169	100
OPERATING COSTS (Notes 11, 24 and 30)	<u>7,798,581</u>	<u>85</u>	<u>7,927,392</u>	<u>88</u>
GROSS PROFIT	1,335,664	15	1,063,777	12
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(812)</u>	<u>-</u>	<u>(2,479)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,334,852</u>	<u>15</u>	<u>1,061,298</u>	<u>12</u>
OPERATING EXPENSES				
Administrative expenses (Notes 24 and 30)	639,345	7	554,056	6
Expected credit gain (Note 10)	<u>(1,129)</u>	<u>-</u>	<u>(3,386)</u>	<u>-</u>
Total operating expenses	<u>638,216</u>	<u>7</u>	<u>550,670</u>	<u>6</u>
OPERATING INCOME	<u>696,636</u>	<u>8</u>	<u>510,628</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	178,031	2	241,043	3
Other income (Note 24)	422,096	4	484,912	5
Other gains and losses (Note 24)	(514,986)	(6)	(299,831)	(3)
Finance costs (Note 24)	(393,005)	(4)	(365,013)	(4)
Share of profit of subsidiaries and associates	<u>15,221,784</u>	<u>167</u>	<u>14,891,791</u>	<u>165</u>
Total non-operating income and expenses	<u>14,913,920</u>	<u>163</u>	<u>14,952,902</u>	<u>166</u>
PROFIT BEFORE INCOME TAX	15,610,556	171	15,463,530	172
INCOME TAX EXPENSE (Note 25)	<u>542,335</u>	<u>6</u>	<u>753,044</u>	<u>9</u>
NET INCOME FOR THE YEAR	<u>15,068,221</u>	<u>165</u>	<u>14,710,486</u>	<u>163</u>
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	135,036	1	(875,729)	(10)
Remeasurement of defined benefit plans	153,653	2	(42,895)	-
Share of other comprehensive income (loss) of subsidiaries and associates	<u>741,179</u>	<u>8</u>	<u>(372,105)</u>	<u>(4)</u>
	<u>1,029,868</u>	<u>11</u>	<u>(1,290,729)</u>	<u>(14)</u>

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive loss of subsidiaries and associates	\$ (1,339,475)	(14)	\$ (164,177)	(2)
Other comprehensive loss for the year, net of income tax	(309,607)	(3)	(1,454,906)	(16)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 14,758,614	162	\$ 13,255,580	147
EARNINGS PER SHARE (Note 26)				
Basic	\$ 4.70		\$ 4.70	
Diluted	\$ 4.57		\$ 4.41	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

ASIA CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Other Equity											
	Share Capital Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Cash Flow Hedges	Total	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2020	3,361,447	\$ 33,614,472	\$ 1,456,054	\$ 16,727,089	\$ 64,463,426	\$ 27,373,840	\$ (5,913,201)	\$ 7,908,323	\$ 385,214	\$ 52,141	\$ 2,432,477	\$ 146,067,358
Appropriation of 2019 earnings												
Legal reserve	-	-	-	1,745,968	-	(1,745,968)	-	-	-	-	-	-
Special reserve	-	-	-	-	804,347	(804,347)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,084,341)	-	-	-	-	-	(10,084,341)
Net profit for the year ended December 31, 2020	-	-	-	-	-	14,710,486	-	-	-	-	-	14,710,486
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(103,026)	(195,754)	(1,491,574)	331,756	3,692	(1,351,880)	(1,454,906)
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	36,112	-	-	-	-	-	-	-	-	36,112
Actual acquisition of interests in subsidiaries	-	-	418	-	-	(1,424,920)	-	-	-	-	-	(1,424,502)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(20,704)	-	-	-	-	-	(20,704)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	2,590	-	(2,590)	-	-	(2,590)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(60,944)	-	-	-	-	-	(60,944)
BALANCE AT DECEMBER 31, 2020	3,361,447	33,614,472	1,492,584	18,473,057	65,267,773	27,842,666	(6,108,955)	6,414,159	716,970	55,833	1,078,007	147,768,559
Appropriation of 2020 earnings												
Legal reserve	-	-	-	1,310,348	-	(1,310,348)	-	-	-	-	-	-
Special reserve	-	-	-	-	1,209,096	(1,209,096)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,933,138)	-	-	-	-	-	(11,933,138)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	251,158	(1,302,920)	545,523	194,724	1,908	(560,765)	(309,607)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)
BALANCE AT DECEMBER 31, 2021	<u>3,545,572</u>	<u>\$ 35,455,721</u>	<u>\$ 5,986,339</u>	<u>\$ 19,783,405</u>	<u>\$ 66,476,869</u>	<u>\$ 28,739,477</u>	<u>\$ (7,411,875)</u>	<u>\$ 6,928,068</u>	<u>\$ 911,178</u>	<u>\$ 57,741</u>	<u>\$ 485,112</u>	<u>\$ 156,926,923</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 15,610,556	\$ 15,463,530
Adjustments for:		
Depreciation expenses	406,329	476,738
Amortization expenses	2,061	2,155
Expected credit loss reversed on trade receivables	(1,129)	(3,386)
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	232,113	64,714
Finance costs	393,005	365,013
Interest income	(178,031)	(241,043)
Dividend income	(319,016)	(316,139)
Share of profit of subsidiaries and associates	(15,221,784)	(14,891,791)
Loss (gain) on disposal of property, plant and equipment	60	(509)
Unrealized gain on transactions with subsidiaries and associates	812	2,479
Unrealized loss on foreign exchange	219,910	89,606
Gain on changes in fair value of investment properties	(413,800)	(363,140)
Changes in operating assets and liabilities:		
Notes receivable	4,157	(9,570)
Trade receivables	39,236	(1,550)
Other receivables	(16,537)	(25,096)
Inventories	66,127	156,566
Prepayments	51,098	(99,184)
Other current assets	2,667	(403)
Financial liabilities held for trading	(678,950)	-
Net defined benefit assets	(39,965)	(37,541)
Contract liabilities	(2,516)	5,840
Accounts payable and accrued expenses	233,214	129,525
Provisions	(7,157)	-
Deferred revenue	(75,912)	(75,912)
Cash generated from operations	306,548	690,902
Interest received	184,813	245,536
Dividends received	6,983,669	6,780,804
Interest paid	(333,491)	(210,025)
Income tax paid	(556,509)	(562,772)
Net cash generated from operating activities	<u>6,585,030</u>	<u>6,944,445</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(5,340)	-
Purchase of financial assets at amortized cost	(5,051,701)	-
Proceeds from sale of financial assets at amortized cost	-	695,706
Payments for property, plant and equipment	(464,390)	(253,796)
Proceeds from disposal of property, plant and equipment	33	525
Decrease in refundable deposits	19,459	567,920

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Payments for intangible assets	\$ (1,140)	\$ (369)
Payments for investment properties	<u>(3,245)</u>	<u>(2,343)</u>
Net cash (used in) generated from investing activities	<u>(5,506,324)</u>	<u>1,007,643</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bills payable	11,820,000	(8,560,000)
Proceeds from issuance of bonds	6,300,000	28,800,000
Repayments of bonds	(3,000,000)	(3,000,000)
Proceeds from long-term borrowings	9,640,000	4,643,000
Repayments of long-term borrowings	(12,640,000)	(12,488,000)
Decrease in guarantee deposits received	(1,000)	-
Repayment of the principal portion of lease liabilities	(76,819)	(82,282)
Dividends paid	(11,933,944)	(10,084,585)
Acquisition of additional interests in subsidiaries	<u>(1,838)</u>	<u>(5,390,490)</u>
Net cash generated from (used in) financing activities	<u>106,399</u>	<u>(6,162,357)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(142,200)</u>	<u>(36,980)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,042,905	1,752,751
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,228,490</u>	<u>2,475,739</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,271,395</u>	<u>\$ 4,228,490</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

ASIA CEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Asia Cement Corporation (the “Corporation”) was incorporated in March 1957. It manufactures and sells cement, clinker, cement-related products and ready-mixed concrete, and engages in leasing activities. The Corporation is also required to undertake reforestation activities in designated areas. The Corporation’s shares have been listed on the Taiwan Stock Exchange since June 1962.

In June 1992 and September 1996, certain shares of the Corporation were sold by Far Eastern New Century Corporation (FENC) in the form of global depositary shares (GDSs). Such GDSs have been quoted through the SEAQ system of the London Stock Exchange and traded through the portal system of the National Association of Securities Dealers, Inc.

On March 25, 2021, in order to reduce the related management costs, the Corporation’s board of directors resolved to terminate the GDSs program and to delist from the London Stock Exchange.

The financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors and authorized for issue on March 8, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies:

Amendment to IFRS 16 “Covid-19 - Related Rent Concessions beyond 30 June 2021”

The Corporation elected to apply the amendment that extends the availability of the practical expedient to lease payments due on or before June 30, 2022. Refer to Note 4 for the relevant accounting policies of the practical expedient.

The Corporation applies the amendments from January 1, 2021.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the financial statements were authorized for issue, the Corporation assessed that the application of the above standards and interpretations did not have any material impact on the Corporation’s financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Corporation's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments, investment properties which are measured at fair value and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing its parent company only financial statements, the Corporation used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owner of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income or loss of subsidiaries and associates and related equity items, as appropriate, in the parent company only financial statements.

The properties were leased out to subsidiaries for their operations, and are classified as property plant and equipment in the consolidated financial statements. Under IFRSs, these properties are classified as investment properties in parent company only financial statements. In 2014, the subsequent fair value model.

In order for the amounts of the net profit for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, the investment properties leased out to entities were measured at fair value model with the decrease in total equity and net profit for the year recorded in “investments accounted for using the equity method” and “share of profit or loss of subsidiaries and associates”.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the parent company only financial statements, the assets and liabilities of the Corporation's foreign operations (including subsidiaries and associates in other countries or those that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of profit or loss and other comprehensive income (loss) of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

Any excess of the cost of acquisition over the Corporation's share of net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates.

Any excess of the cost of acquisition over the Corporation's share of net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent company only financial statements only to the extent of unrelated parties' interests in the associate.

The Corporation's share of comprehensive income of associates is recognized using the treasury share method if there are reciprocal holdings between investors and investees. The reciprocally held shares of the Corporation are treated as treasury shares and are deducted from the outstanding shares in computing basic earnings per share.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss. Major renewals and betterments are capitalized, while maintenance and repairs are expensed currently.

Properties in the course of construction are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the fixed-percentage-on-declining-balance method or the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are initially measured at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value and the carrying amount of the property at the date of transfer is recognized in other comprehensive income.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, notes receivable, other receivables and debt instruments at amortized cost, are measured at amortized cost, which is the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Cash equivalents include time deposits, bonds sold under repurchase agreements and commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including trade receivables) as well as finance lease receivables at the end of each reporting period.

The Corporation always recognizes lifetime ECLs for trade receivables. For all other financial instruments and finance lease receivables, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment loss on all financial instruments is recognized with a corresponding adjustment to their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial liabilities

1) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Convertible bonds

The component parts of convertible bonds issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component. Transaction costs relating to the equity component are recognized directly in equity.

Derivative financial instruments

The Corporation enters into cross-currency swap contracts to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the mixed contracts are not measured at FVTPL.

m. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows

n. Revenue recognition

The Corporation identifies the contract with the customers, identifies the performance obligations in the contract, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods mainly comes from sales of cement and clinker; sales are recognized as revenue when the goods are delivered to customers' specified locations, which is the time the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to the customers.

o. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Corporation allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments, variable lease payments which depend on an index or a rate, and residual value guarantees. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Corporation's net investment outstanding in respect of leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Corporation assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

The Corporation negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially the same as, or less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Corporation elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Corporation recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current tax and deferred tax for the year

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current tax and deferred tax are also recognized in other comprehensive income, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Corporation considers the recent development of the COVID-19 pandemic in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Fair value measurements and valuation process of investment properties

If the Corporation's investment properties measured at fair value have no quoted prices in active markets, the Corporation determines whether to engage third party qualified appraisers for the application of appropriate valuation techniques for fair value measurements in accordance with related regulations or professional standards. The engaged appraisers measure the fair value of investment properties through the income approach and the land development analysis approach, and would determine appropriate inputs by reference to the existing lease contract, rentals of similar properties in the vicinity of the Corporation's investment properties, domestic macroeconomic prospects, local land use, and market rates. If the actual changes of inputs in the future differ from expectations, the fair value might vary accordingly.

Information about the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 15.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Checking accounts and demand deposits	\$ 2,099,414	\$ 1,951,736
Petty cash	815	815
Cash on hand	323	331
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	2,630,007	1,281,913
Repurchase agreements collateralized by bonds	<u>540,836</u>	<u>993,695</u>
	<u>\$ 5,271,395</u>	<u>\$ 4,228,490</u>

The market rate intervals of time deposits and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	December 31	
	2021	2020
Time deposits	0.30%-2.80%	2.32%-2.91%
Repurchase agreements collateralized by bonds	0.31%-0.33%	0.42%-0.55%

As of December 31, 2021 and 2020, time deposits with original maturities of more than 3 months in the amounts of \$5,736,062 thousand and \$1,038,147 thousand, respectively, are classified as financial assets at amortized cost. Repurchase agreements collateralized by bonds with original maturities of more than 3 months in the amount of \$280,793 thousand are also classified as financial assets at amortized cost in the balance sheets as of December 31, 2021. Refer to Note 9 for the details.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2021	2020
<u>Financial assets at FVTPL</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Bond options (Note 19)	\$ 466	\$ 94,743
Non-derivative financial assets		
Beneficiary certificates	371,600	273,100
Listed shares	<u>1,534,207</u>	<u>1,571,594</u>
	<u>\$ 1,906,273</u>	<u>\$ 1,939,437</u>
<u>Financial liabilities at FVTPL</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts	\$ -	\$ 425,693

The Corporation entered into cross-currency swap contracts to manage exposures to exchange rate fluctuations. The Corporation's financial hedging strategy is to avoid most of the cash flow risk exposure. As of December 31, 2020, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US\$215,000	2021.9.15	-	2.68%-2.80%

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31			
	2021		2020	
	Current	Non-current	Current	Non-current
Domestic investments				
Listed shares	\$ 2,004,820	\$ 5,067,444	\$ 1,899,303	\$ 5,177,016
Unlisted shares	<u>-</u>	<u>726,663</u>	<u>-</u>	<u>591,992</u>
	<u>2,004,820</u>	<u>5,794,107</u>	<u>1,899,303</u>	<u>5,769,008</u>
Foreign investments				
Unlisted shares	<u>-</u>	<u>291,990</u>	<u>-</u>	<u>282,230</u>
	<u>\$ 2,004,820</u>	<u>\$ 6,086,097</u>	<u>\$ 1,899,303</u>	<u>\$ 6,051,238</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Time deposits with original maturities of more than 3 months	\$ 5,736,062	\$ 1,038,147
Repurchase agreements collateralized by bonds	<u>280,793</u>	<u>-</u>
	<u>\$ 6,016,855</u>	<u>\$ 1,038,147</u>

Based on the Corporation's assessment, the credit risk of these financial assets is not expected to be high and has not increased since initial recognition.

10. TRADE RECEIVABLES

	December 31	
	2021	2020
<u>At amortized cost</u>		
Trade receivables - sales	\$ 832,176	\$ 906,585
Operating lease receivable	80,821	50,365
Less: Allowance for impairment loss - sales	<u>(5,744)</u>	<u>(6,873)</u>
	<u>\$ 907,253</u>	<u>\$ 950,077</u>

Trade Receivables - Sales

The average credit period of receivables from sales of goods was 30-150 days. Specific customers with good credit records were given longer credit period occasionally.

The Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. The Corporation obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Corporation writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 827,626	\$ 4,550	\$ -	\$ -	\$ 832,176
Loss allowance (lifetime ECLs)	<u>(5,698)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>(5,744)</u>
Amortized cost	<u>\$ 821,928</u>	<u>\$ 4,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 826,432</u>

December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 855,918	\$ 18,486	\$ 25,621	\$ 6,560	\$ 906,585
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(6,873)</u>	<u>-</u>	<u>-</u>	<u>(6,873)</u>
Amortized cost	<u>\$ 855,918</u>	<u>\$ 11,613</u>	<u>\$ 25,621</u>	<u>\$ 6,560</u>	<u>\$ 899,712</u>

The above aging schedule was based on the invoice date.

The movements of the loss allowance of trade receivables were as follows:

	December 31	
	2021	2020
Balance at January 1	\$ 6,873	\$ 10,259
Add: Reversal of impairment losses recognized on receivables	<u>(1,129)</u>	<u>(3,386)</u>
Balance at December 31	<u>\$ 5,744</u>	<u>\$ 6,873</u>

11. INVENTORIES

	December 31	
	2021	2020
Finished goods	\$ 167,233	\$ 177,397
Work in progress	268,379	343,894
Raw materials	553,953	524,093
Supplies	<u>307,137</u>	<u>340,522</u>
	<u>\$ 1,296,702</u>	<u>\$ 1,385,906</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$7,600,879 thousand and \$7,736,880 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	\$ 94,158,708	\$ 87,727,372
Investments in associates	<u>63,892,476</u>	<u>62,230,502</u>
	158,051,184	149,957,874
Less: Effect of investment properties at fair value method	<u>3,143,910</u>	<u>3,005,207</u>
	<u>\$ 154,907,274</u>	<u>\$ 146,952,667</u>

a. Investments in subsidiaries

	December 31	
	2021	2020
Listed shares		
Asia Cement (China) Holdings Corp. (ACCHC)	<u>\$ 50,282,807</u>	<u>\$ 47,586,336</u>
Unlisted shares		
Der Ching Investment Corp. (DCI)	14,857,396	14,281,783
Chiahui Power Corp. (CHP)	10,682,130	10,353,439
Asia Cement (Singapore) Pte. Ltd. (ACSPL)	5,188,855	4,723,244
Asia Investment Corp. (AIC)	4,878,212	3,960,734
Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	3,454,523	2,509,572
Yuan Long Stainless Steel Corp. (YLSS)	2,292,526	1,940,989
Fu Ming Transport Corp. (FMT)	1,571,941	1,473,729
Nan Hwa Cement Corp. (NHC)	319,916	321,626
Yali Transport Corp. (YLT)	271,289	256,364
Asia Engineering Enterprise Corp. (AEE)	183,476	178,713
Ya Li Precast and Prestressed Concrete Industries Corp. (YLPPC)	123,131	87,216
Sunrise Industrial Holdings Ltd. (SIHL)	<u>52,506</u>	<u>53,627</u>
	<u>43,875,901</u>	<u>40,141,036</u>
	<u>\$ 94,158,708</u>	<u>\$ 87,727,372</u>

At the end of the reporting period, the percentages of owners' voting rights in subsidiaries held by the Corporation were as follows:

	December 31	
Name of Subsidiary	2021	2020
ACCHC	67.73%	67.73%
DCI	99.99%	99.99%
CHP	99.70%	99.69%
ACSPL	99.99%	99.96%
AIC	100.00%	100.00%
YTRMC	99.99%	99.99%
YLSS	100.00%	100.00%
FMT	99.95%	99.95%
NHC	99.98%	99.98%
YLT	51.61%	51.61%
AEE	99.74%	99.74%
YLPPC	83.94%	83.92%
SIHL	100.00%	100.00%

From March to December 2021, the Corporation acquired non-controlling interests in its subsidiaries, including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE; refer to Note 27 for the details.

From April to December 2020, the Corporation acquired non-controlling interests in subsidiaries, including CHP, YTRMC, DCI, FMT, NHC, AEE, YLT and YLPPC; refer to Note 27 for the details.

Fair values (Level 1) of investments in subsidiaries with available published price quotation are summarized as follows:

Name of Subsidiary	December 31	
	2021	2020
ACCHC	\$ 18,597,288	\$ 27,332,515

b. Investment in associates

	December 31	
	2021	2020
<u>Material associates</u>		
Listed shares		
Far Eastern New Century Corporation (FENC)	\$ 37,915,642	\$ 38,290,925
U-Ming Marine Transport Corp. (U-Ming)	10,075,328	9,022,163
CSCGL	<u>7,100,277</u>	<u>6,277,053</u>
	<u>55,091,247</u>	<u>53,590,141</u>
<u>Associates that are not individually material</u>		
Unlisted shares		
Yuan Ding Leasing Corp. (YDC)	3,095,471	3,149,431
Yue Yuan Investment Corp. (YYI)	2,584,547	2,453,784
Oriental Securities Corp. (OSC)	2,016,395	1,942,089
FEDS Development Ltd. (FEDSDL)	640,234	634,350
Yuan Ding Leasing Corp. (YDLC)	377,521	377,260
Everstrong Iron & Steel Foundry Ltd. (EISF)	<u>87,061</u>	<u>83,447</u>
	<u>8,801,229</u>	<u>8,640,361</u>
	<u>\$ 63,892,476</u>	<u>\$ 62,230,502</u>

At the end of the reporting period, the percentages of owners' voting rights in associates held by the Corporation were as follows:

Name of Associate	December 31	
	2021	2020
FENC	23.77%	23.77%
U-Ming	39.25%	39.25%
CSCGL	7.62%	7.62%
YDC	35.50%	35.50%
YYI	29.92%	29.92%
OSC	18.93%	18.93%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
EISF	40.40%	40.40%

The Corporation is the single largest shareholder with 39.25% and 23.77% of the voting rights of associates U-Ming and FENC, respectively. Considering the size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other shareholders and the voting patterns at previous shareholders' meetings, which indicate that other shareholders are not passive, the Corporation is not able to appoint more than half of the members of those charged with governance of U-Ming and FENC. Consequently, the Corporation considered and classified U-Ming and FENC as associates of the Corporation as it is merely able exercise significant influence over U-Ming and FENC.

As of December 31, 2021 and 2020, the information of associates was as follows:

- 1) Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	December 31	
	2021	2020
FENC	\$ 37,277,719	\$ 36,832,422
U-Ming	\$ 20,034,750	\$ 12,239,773
CSCGL	\$ 2,289,044	\$ 2,212,530

- 2) The summarized financial information in respect of the Corporation's material associates is set out below:

FENC:

	December 31	
	2021	2020
Current assets	\$ 33,457,578	\$ 30,257,013
Non-current assets	300,018,280	296,195,063
Current liabilities	22,641,821	22,380,382
Non-current liabilities	<u>104,785,302</u>	<u>100,042,507</u>
Equity	206,048,735	204,029,187
Proportion of the Corporation's ownership	23.77%	23.77%
Equity attributable to the Corporation	48,977,784	48,497,738
Cross shareholdings	<u>(11,062,142)</u>	<u>(10,206,813)</u>
Carrying amount	\$ <u>37,915,642</u>	\$ <u>38,290,925</u>

	For the Year Ended December 31	
	2021	2020
Operating revenue	\$ <u>45,527,236</u>	\$ <u>38,768,801</u>
Net profit for the year	\$ 9,684,584	\$ 8,062,699
Other comprehensive loss	<u>(515,037)</u>	<u>(26,143)</u>
Total comprehensive income for the year	\$ <u>9,169,547</u>	\$ <u>8,036,556</u>
Dividends received from FENC	\$ <u>1,717,574</u>	\$ <u>1,908,416</u>

U-Ming:

	December 31	
	2021	2020
Current assets	\$ 2,156,201	\$ 2,088,840
Non-current assets	51,659,693	47,537,505
Current liabilities	14,284,980	14,349,470
Non-current liabilities	<u>13,672,196</u>	<u>12,101,381</u>
Equity	25,858,718	23,175,494
Proportion of the Corporation's ownership	39.25%	39.25%
Equity attributable to the Corporation	10,149,547	9,096,382
Unrealized gain or loss with associates	<u>(74,219)</u>	<u>(74,219)</u>
Carrying amount	<u>\$ 10,075,328</u>	<u>\$ 9,022,163</u>

	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 1,660,430</u>	<u>\$ 1,039,426</u>
Net profit for the year	\$ 4,892,584	\$ 878,425
Other comprehensive loss	<u>(1,194,945)</u>	<u>(2,941,713)</u>
Total comprehensive income (loss) for the year	<u>\$ 3,697,639</u>	<u>\$ (2,063,288)</u>
Dividends received from U-Ming	<u>\$ 398,041</u>	<u>\$ 630,232</u>

CSCGL:

	December 31	
	2021	2020
Current assets	\$ 33,743,814	\$ 31,277,287
Non-current assets	91,774,378	89,317,484
Current liabilities	40,489,814	42,872,156
Non-current liabilities	3,755,805	8,522,285
Non-controlling interests	<u>1,151,223</u>	<u>780,884</u>
Equity attributable to CSCGL	80,121,350	68,419,446
Proportion of the Corporation's ownership	7.62%	7.62%
Equity attributable to the Corporation	6,096,823	5,205,672
Goodwill	810,993	810,993
Quarry right	<u>192,461</u>	<u>260,388</u>
Carrying amount	<u>\$ 7,100,277</u>	<u>\$ 6,277,053</u>

	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 107,127,471</u>	<u>\$ 89,543,906</u>
Net profit for the year	\$ 12,575,968	\$ 14,034,527
Other comprehensive income	<u>48,130</u>	<u>93,155</u>
Total comprehensive income for the year	<u>\$ 12,624,098</u>	<u>\$ 14,127,682</u>

3) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	2020
The Corporation's share of:		
Profit for the year	\$ 229,178	\$ 287,474
Other comprehensive income (loss)	<u>164,361</u>	<u>(122,696)</u>
Total comprehensive income for the year	<u>\$ 393,539</u>	<u>\$ 164,778</u>

4) The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 31.

All the subsidiaries and associates are accounted for using the equity method.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the subsidiaries' and associates' financial statements which have been audited for the same years.

Refer to Table 7 "Information on Investees" and Table 8 "Information on Investments in Mainland China" for the nature of activities, principal place of business and country of incorporation of the subsidiaries and associates.

13. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Corporation

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 2,779,389	\$ 4,214,252	\$ 16,784,054	\$ 5,978,108	\$ 254,945	\$ 30,010,748
Additions	-	1,689	5,448	119,247	417,544	543,928
Disposals	-	(12,732)	(28,689)	(64,004)	-	(105,425)
Transferred to investment properties	-	-	-	-	(1,233)	(1,233)
Transferred to intangible assets	-	-	-	-	(1,059)	(1,059)
Transferred from completed construction	-	1,478	5,238	92,005	(98,721)	-
Balance at December 31, 2021	<u>2,779,389</u>	<u>4,204,687</u>	<u>16,766,051</u>	<u>6,125,356</u>	<u>571,476</u>	<u>30,446,959</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	-	3,755,648	16,575,771	5,542,235	-	25,873,654
Disposals	-	(12,732)	(28,689)	(63,911)	-	(105,332)
Depreciation expense	-	49,484	60,557	193,518	-	303,559
Balance at December 31, 2021	-	<u>3,792,400</u>	<u>16,607,639</u>	<u>5,671,842</u>	-	<u>26,071,881</u>
Carrying amounts at December 31, 2021	<u>\$ 2,779,389</u>	<u>\$ 412,287</u>	<u>\$ 158,412</u>	<u>\$ 453,514</u>	<u>\$ 571,476</u>	<u>\$ 4,375,078</u>

(Continued)

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 2,779,088	\$ 4,208,692	\$ 16,783,451	\$ 5,881,197	\$ 167,439	\$ 29,819,867
Additions	301	3,937	21,225	69,118	182,062	276,643
Disposals	-	-	(42,899)	(42,863)	-	(85,762)
Transferred from completed construction	-	1,623	22,277	70,656	(94,556)	-
Balance at December 31, 2020	<u>2,779,389</u>	<u>4,214,252</u>	<u>16,784,054</u>	<u>5,978,108</u>	<u>254,945</u>	<u>30,010,748</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	-	3,706,896	16,539,039	5,339,644	-	25,585,579
Disposals	-	-	(42,899)	(42,847)	-	(85,746)
Depreciation expense	-	48,752	79,631	245,438	-	373,821
Balance at December 31, 2020	-	<u>3,755,648</u>	<u>16,575,771</u>	<u>5,542,235</u>	-	<u>25,873,654</u>
Carrying amounts at December 31, 2020	<u>\$ 2,779,389</u>	<u>\$ 458,604</u>	<u>\$ 208,283</u>	<u>\$ 435,873</u>	<u>\$ 254,945</u>	<u>\$ 4,137,094</u>

(Concluded)

No impairment assessment was performed for the year ended December 31, 2021 and 2020 as there was no indication of impairment.

As of December 31, 2021, the titles of land with carrying amount of \$23,326 thousand were temporarily registered in the name of trustees who had either signed an agreement or had pledged the land to the Corporation or to the subsidiaries.

The above items of property, plant and equipment are depreciated on a fixed-percentage-on-declining-balance basis or on a straight-line basis over the estimated useful life of the asset taken apart into major component elements:

Building	
Main buildings	15-55 years
Other facilities	5-15 years
Equipment	2-20 years
Other equipment	3-15 years

Refer to Note 31 for the carrying amounts of property, plant and equipment pledged by the Corporation as collaterals for borrowings.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Carrying amounts</u>		
Land	\$ 17,112	\$ 21,499
Buildings	310,310	349,193
Equipment	<u>47,126</u>	<u>106,626</u>
	<u>\$ 374,548</u>	<u>\$ 477,318</u>

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	\$ <u>-</u>	\$ <u>138,573</u>
Depreciation charge for right-of-use assets		
Land	\$ 4,387	\$ 4,396
Buildings	38,883	38,885
Equipment	<u>59,500</u>	<u>59,636</u>
	\$ <u>102,770</u>	\$ <u>102,917</u>

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amounts</u>		
Current	\$ <u>23,310</u>	\$ <u>76,819</u>
Non-current	\$ <u>41,319</u>	\$ <u>64,629</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	1.30%-1.32%	1.30%-1.32%
Buildings	1.30%-1.32%	1.30%-1.32%
Equipment	1.30%-1.32%	1.30%-1.32%

c. Material lease-in activities and terms

The Corporation leases harbors, land, buildings and equipment for the use in business operations. Certain lease contracts specifies that lease payment will be adjusted on the basis of changes in market rental rates or announced land value prices. The Corporation does not have bargain purchase options to acquire the leasehold assets at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	\$ <u>90,088</u>	\$ <u>86,790</u>
Expenses relating to low-value asset leases	\$ <u>51</u>	\$ <u>52</u>
Total cash outflow for leases	\$ <u>168,240</u>	\$ <u>170,598</u>

The Corporation has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for leases that qualify as short-term leases or low-value asset leases.

15. INVESTMENT PROPERTIES

	December 31	
	2021	2020
Leased investment properties	\$ 36,932,429	\$ 36,514,151
Undeveloped investment properties	<u>5,965,542</u>	<u>5,965,542</u>
	<u>\$ 42,897,971</u>	<u>\$ 42,479,693</u>

The movements of investment property were as follows:

	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2020	\$ 36,082,384	\$ 6,031,826	\$ 42,114,210
Changes in fair value of investment properties	429,424	(66,284)	363,140
Additions	<u>2,343</u>	<u>-</u>	<u>2,343</u>
Balance at December 31, 2020	<u>\$ 36,514,151</u>	<u>\$ 5,965,542</u>	<u>\$ 42,479,693</u>
Balance at January 1, 2021	\$ 36,514,151	\$ 5,965,542	\$ 42,479,693
Changes in fair value of investment properties	413,800	-	413,800
Additions	3,245	-	3,245
Transferred from completed construction	<u>1,233</u>	<u>-</u>	<u>1,233</u>
Balance at December 31, 2021	<u>\$ 36,932,429</u>	<u>\$ 5,965,542</u>	<u>\$ 42,897,971</u>

The investment properties for lease were as follows:

- a. On January 1, 1998, the Corporation granted FEDSDL the right to construct a shopping center on a parcel of land it owned with an area of 6,976 square meters located in Lin-Ya, Kaohsiung. As consideration for the right to construct and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use right in the amount of \$1,073,000 thousand and (b) annual rental at 5% of the reference price of such land announced by the local government. The proceeds of the land use rights were recorded as long-term deferred revenue, and recognized as rental revenue on a periodic basis.
- b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located at Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction of a twin tower building (Taipei Metro) by YDC on the said land, (b) continued use of the land without additional compensation for 30 years starting from the date of the completion of the building. In view of the foregoing agreement, the Corporation recorded the 12% of the building construction cost or \$1,402,753 thousand as building acquired and as long-term deferred revenue, and recognized as revenue on a periodic basis.
- c. Others mainly included the following:
 - 1) Land in Shu-Lin - leased to YLPPC;
 - 2) Land in Taichung Guan-Lien Industrial Zone - leased to NHC;
 - 3) Land and buildings in Lin-Ko, Taichung and Hsi-Chih - leased to YTRMC;
 - 4) Asia-Cement Building - leased to FEDS;

5) Pao-Ching Building - leased to Sofiva Genomics;

6) Land and building in Chayi City;

7) Land and building in Hwalien - leased to YLT;

The lease terms of the abovementioned land and buildings are 1-10 years and the rents are paid monthly.

The Corporation's undeveloped investment properties included a parcel of land located in Lin-Ya, Kaohsiung.

The fair values of investment properties were valued by independent qualified professional appraisers. According to local requirements, entities are required to have independent appraisal for the investment properties with individual carrying amount of \$300 million or higher. The fair values of investment properties as of December 31, 2021 and 2020 were determined by qualified professional appraisers, Mr. Chang from Savills (Taiwan) Limited and Mr. Tsai and Ms. Hu from DTZ real estate appraisers firm on February 18, 2022 and March 2, 2021, respectively.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2020	\$ 36,082,384	\$ 6,031,826	\$ 42,114,210
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	429,424	(66,284)	363,140
Purchases	<u>2,343</u>	<u>-</u>	<u>2,343</u>
Balance at December 31, 2020	<u>\$ 36,514,151</u>	<u>\$ 5,965,542</u>	<u>\$ 42,479,693</u>
Balance at January 1, 2021	\$ 36,514,151	\$ 5,965,542	\$ 42,479,693
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	413,800	-	413,800
Purchases	3,245	-	3,245
Transfers into Level 3	<u>1,233</u>	<u>-</u>	<u>1,233</u>
Balance at December 31, 2021	<u>\$ 36,932,429</u>	<u>\$ 5,965,542</u>	<u>\$ 42,897,971</u>

The fair value measurement of undeveloped land located in Lin-Ya, Kaohsiung, was measured by land development analysis. The increase in estimated total selling price, the increase in rate of return, or the decrease in overall capital interest rate would result in an increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2021	2020
Estimated total selling price	<u>\$ 20,255,823</u>	<u>\$ 19,492,803</u>
Rate of return	20%	22%
Overall capital interest rate	5.19%	5.29%

The total selling price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2021	2020
Expected future cash inflows	\$ 45,962,184	\$ 45,305,471
Expected future cash outflows	<u>1,704,026</u>	<u>1,620,734</u>
Expected future cash inflows, net	<u>\$ 44,258,158</u>	<u>\$ 43,684,737</u>
Discount rate	1.97%-4.40%	1.98%-4.40%

The above fair value measurement has taken into consideration the uncertainty on the volatility in the markets due to the evolution of the COVID-19 pandemic.

The market rentals in the area where the investment property is located were between \$1 thousand and \$5 thousand per ping (i.e., per 3.3 square meters).

The rental income generated for the years ended December 31, 2021 and 2020 was \$424,301 thousand and \$401,040 thousand, respectively.

The expected future cash inflows to be generated by investment properties include rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental contract, regional and market quotation, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the interest rate for one-year central bank-announced demand deposit interest rate; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows to be incurred by investment properties include expenditure such as land value taxes, house taxes, insurance premium, management costs, maintenance costs and others. These expenditures were extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, or estimated income capitalization rate, whichever is higher, as well as any asset-specific risk premiums. As of December 31, 2021 and 2020, the risk premiums were 0.38%-2.80% and 0.39%-2.80%, respectively.

Refer to Note 31 for the carrying amount of investment properties pledged by the Corporation as collaterals for borrowings.

16. INTANGIBLE ASSETS

	December 31	
	2021	2020
Computer software	<u>\$ 3,309</u>	<u>\$ 3,171</u>

**Computer
Software**

Cost

Balance at January 1, 2020	\$ 162,506
Additions	369
Disposals	<u>(54,871)</u>
Balance at December 31, 2020	<u>108,004</u>

Accumulated amortization and impairment

Balance at January 1, 2020	157,549
Amortization expense	2,155
Disposals	<u>(54,871)</u>
Balance at December 31, 2020	<u>104,833</u>

Carrying amounts at December 31, 2020	<u>\$ 3,171</u>

Cost

Balance at January 1, 2021	\$ 108,004
Additions	1,140
Transferred from completed construction	1,059
Disposals	<u>(487)</u>
Balance at December 31, 2021	<u>109,716</u>

Accumulated amortization and impairment

Balance at January 1, 2021	104,833
Amortization expense	2,061
Disposals	<u>(487)</u>
Balance at December 31, 2021	<u>106,407</u>

Carrying amounts at December 31, 2021	<u>\$ 3,309</u>

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset. The estimated useful life of computer software is from 2 to 5 years.

17. OTHER ASSETS - NON-CURRENT

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Net defined benefit assets (Note 21)	\$ 2,735,554	\$ 2,503,523
Prepaid investments	1,294,905	1,294,905
Refundable deposits	105,275	124,734
Others	<u>131</u>	<u>131</u>
	<u>\$ 4,135,865</u>	<u>\$ 3,923,293</u>

On March 23, 2017, the Corporation acquired 155 thousand issued shares of China Shanshui Investment Company Limited (CSI) in the amount of HK\$577,662 thousand from six shareholders of CSI under a share purchase agreement. The Corporation already obtained the physical share certificates of the acquired shares of CSI. Pursuant to the Articles of Association of CSI, the share ownership can only be recorded on the register of shareholders if the board of directors of CSI approves the share transfer. The Corporation has submitted all necessary documents to CSI for registration of the share transfer, among which the registration of the shares of CSI acquired from two of the six shareholders were completed and the related prepaid investments in the balance sheets were therefore reclassified to financial assets at FVTOCI - non-current.

In addition, Chan Hongqing, a PRC individual, claimed that the shares of CSI which the Corporation acquired from the other four shareholders were pledged as collaterals under a loan contract signed with him on August 17, 2015 and thus applied for arbitration with China International Economic and Trade Arbitration Commission in Beijing. Later, according to an order of the High Court of Hong Kong announced on June 27, 2017, it requested the appointment of interim receivers in respect of the shares of CSI held by the four shareholders until the end of the arbitral proceedings. On May 17, 2018, the High Court of Hong Kong set aside the order before the final award of the arbitration. The arbitral proceeding was therefore withdrawn on June 12, 2018.

On October 2, 2018, Chan Hongqing applied to the High Court of Hong Kong for interlocutory relief in another proceedings against the Corporation to prohibit the Corporation and the four CSI shareholders from transferring and registering their CSI shares. The application for interlocutory relief was heard in the High Court of Hong Kong on April 3, 2019 and was dismissed by the High Court of Hong Kong on March 16, 2021. In view of this order, the registration of share transfer by CSI's board of directors will no longer be restricted to the above-mentioned application for interlocutory relief. On March 30, 2021, Chan Hongqing filed an appeal against the order made by the High Court of Hong Kong. However, the appeal had been rejected by the High Court of Hong Kong on September 23, 2020. Later, Chan Hongqing filed another appeal to Court of Appeal of Hong Kong on October 7, 2020. Both parties have submitted outlines of their arguments to the court. As of the date of the issue of consolidated financial statements, the Court of Appeal of Hong Kong has not yet made a judgment on the appeal.

18. SHORT-TERM BILLS PAYABLE

	December 31	
	2021	2020
Commercial paper	\$ 14,020,000	\$ 2,200,000
Less: Unamortized discounts on bills payable	<u>2,832</u>	<u>278</u>
	<u>\$ 14,017,168</u>	<u>\$ 2,199,722</u>
Interest rate	0.30%-0.51%	0.27%-0.28%

19. LONG-TERM LIABILITIES

	December 31	
	2021	2020
Bank loans	\$ 950,000	\$ 3,950,000
Bonds		
Domestic bonds		
1 st unsecured bonds issued in 2016	-	3,000,000
1 st unsecured bonds issued in 2019	6,500,000	6,500,000
2 nd unsecured bonds issued in 2019	3,500,000	3,500,000
1 st unsecured bonds issued in 2020	7,700,000	7,700,000
2 nd unsecured bonds issued in 2020-A	2,800,000	2,800,000
2 nd unsecured bonds issued in 2020-B	2,700,000	2,700,000
3 rd unsecured bonds issued in 2020-A	4,000,000	4,000,000
3 rd unsecured bonds issued in 2020-B	2,200,000	2,200,000
4 th unsecured bonds issued in 2020-A	4,100,000	4,100,000
4 th unsecured bonds issued in 2020-B	5,300,000	5,300,000
1st unsecured bonds issued in 2021	6,300,000	-
	<u>45,100,000</u>	<u>41,800,000</u>
Overseas bonds		
3 rd Euro convertible bonds issued in 2018	31,854	6,370,305
	<u>46,081,854</u>	<u>52,120,305</u>
Less: Current portion	-	9,370,305
	<u>\$ 46,081,854</u>	<u>\$ 42,750,000</u>

- Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to March 15, 2023. The Corporation has signed long-term revolving credit facilities with banks. As of December 31, 2021 and 2020, interest rate intervals were 0.72% and 0.74%-1.65%, respectively.
- Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to December 23, 2027. As of December 31, 2021 and 2020, interest rates were both 0.57%-0.88%.
- In order to repay debt, save interest expenses, and strengthen the Corporation's financial structure, on September 21, 2018, the Corporation issued 3rd US\$215,000 thousand (equivalent to NT\$6,620,710 thousand) zero coupon Euro convertible bonds due 2023.

The terms of the zero coupon Euro convertible bonds included the following:

1) Final redemption

Unless previously redeemed, repurchased and canceled, or converted, the Bonds will be redeemed on the maturity date at the settlement equivalent of 100.6% of the unpaid principal amount thereof.

- The bonds are convertible into the Corporation's common shares ("Shares") at any time on or after December 21, 2018 and prior to the close of business on August 22, 2023. The initial conversion price was NT\$42.24 per Share, determined on the basis of a fixed exchange rate of NT\$30.794=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after September 21, 2021, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of the bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$30.794=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem in whole or in part of the bonds held by such holder on September 21, 2021 at a redemption price equal to the settlement equivalent of 101.81% of the principal amount in U.S. dollars. Any U.S. dollar denominated amount payable in respect of the bonds will be converted into NT dollars using a fixed exchange rate and then converted back to a U.S. dollar amount using the applicable prevailing rate at the time of redemption.

5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:

- a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
 - b) Subdivision, consolidation and reclassification of Shares.
 - c) Rights issues to shareholders.
 - d) Employee share bonus.
 - e) Warrants issued to holders of Shares.
 - f) Issues of rights or warrants for equity-related securities to holders of Shares.
 - g) Capital distributions, other distributions to shareholders.
 - h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.
 - i) Other issues of Shares.
 - j) Issue of equity related securities.
 - k) Capital reduction.
 - l) Tender or exchange offer.
 - m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$34.65 as of December 31, 2021.
- d. As of December 31, 2021, bondholders have converted the principal amount of US\$213,940 thousand (equivalent to NT\$6,588,068 thousand) of the 3rd Euro convertible bond into 184,125 thousand ordinary shares of the Corporation. After the conversion, the principal amount of the 3rd Euro convertible bond outstanding was US\$1,060 thousand (equivalent to NT\$32,642 thousand).

20. DEFERRED REVENUE

	December 31	
	2021	2020
Land use right	\$ 654,582	\$ 722,667
Others	<u>117,399</u>	<u>125,226</u>
	<u>\$ 771,981</u>	<u>\$ 847,893</u>
Current	\$ 75,912	\$ 75,912
Non-current	<u>696,069</u>	<u>771,981</u>
	<u>\$ 771,981</u>	<u>\$ 847,893</u>

- a. The deferred revenue on land use rights in Lin-Ya, Kaohsiung granted to FEDSDL (Note 15) is amortized to income over 50 years on a straight-line basis.
- b. The deferred revenue on land use rights of Taipei Metro granted to YDC (Note 15) is amortized to income over 30 years on a straight-line basis.

21. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at specified percentage of monthly salaries and wages.

- b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributes amounts equal to 8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ 709,990	\$ 745,990
Fair value of plan assets	<u>(3,445,544)</u>	<u>(3,249,513)</u>
Surplus	<u>(2,735,554)</u>	<u>(2,503,523)</u>
Net defined benefit asset	<u>\$ (2,735,554)</u>	<u>\$ (2,503,523)</u>

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2020	<u>\$ 803,450</u>	<u>\$ (3,323,051)</u>	<u>\$ (2,519,601)</u>
Service cost			
Current service cost	5,761	-	5,761
Net interest expense (income)	<u>8,035</u>	<u>(33,231)</u>	<u>(25,196)</u>
Recognized in profit or loss	<u>13,796</u>	<u>(33,231)</u>	<u>(19,435)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	45,007	45,007
Actuarial loss - changes in financial assumptions	14,579	-	14,579
Actuarial gain - experience adjustments	<u>(5,967)</u>	<u>-</u>	<u>(5,967)</u>
Recognized in other comprehensive income	<u>8,612</u>	<u>45,007</u>	<u>53,619</u>
Benefits paid	<u>(79,868)</u>	<u>61,762</u>	<u>(18,106)</u>
Balance at December 31, 2020	<u>\$ 745,990</u>	<u>\$ (3,249,513)</u>	<u>\$ (2,503,523)</u>
Balance at January 1, 2021	<u>\$ 745,990</u>	<u>\$ (3,249,513)</u>	<u>\$ (2,503,523)</u>
Service cost			
Current service cost	5,198	-	5,198
Net interest expense (income)	<u>5,595</u>	<u>(24,372)</u>	<u>(18,777)</u>
Recognized in profit or loss	<u>10,793</u>	<u>(24,372)</u>	<u>(13,579)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(199,113)	(199,113)
Actuarial loss - changes in financial assumptions	34,583	-	34,583
Actuarial gain - experience adjustments	<u>(27,536)</u>	<u>-</u>	<u>(27,536)</u>
Recognized in other comprehensive income	<u>7,047</u>	<u>(199,113)</u>	<u>(192,066)</u>
Benefits paid	<u>(51,523)</u>	27,455	<u>(24,068)</u>
Others	<u>(2,318)</u>	<u>-</u>	<u>(2,318)</u>
Balance at December 31, 2021	<u>\$ 709,989</u>	<u>\$ (3,445,543)</u>	<u>\$ (2,735,554)</u>

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rate	0.60%	0.75%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rate		
0.25% increase	<u>\$ (13,742)</u>	<u>\$ (14,579)</u>
0.25% decrease	<u>\$ 14,160</u>	<u>\$ 15,036</u>
Expected rate of salary increase/decrease		
1% increase	<u>\$ 57,542</u>	<u>\$ 61,601</u>
1% decrease	<u>\$ (52,174)</u>	<u>\$ (55,610)</u>

The major categories of plan assets at the end of the reporting period are disclosed based on the information announced by the Bureau:

	December 31	
	2021	2020
Equity instruments	79.93	83.77
Deposited in financial institutions	15.07	10.87
Others	<u>5.00</u>	<u>5.36</u>
	<u>100.00</u>	<u>100.00</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
Expected contributions to the plan for the next year	<u>\$ -</u>	<u>\$ -</u>
Average duration of the defined benefit obligation	8.5 years	8.9 years

22. EQUITY

a. Share capital

	December 31	
	2021	2020
Number of shares authorized (in thousands)	4,000,000	4,000,000
Shares authorized	\$ 40,000,000	\$ 40,000,000
Number of shares issued and fully paid (in thousands)	3,545,572	3,361,447
Shares issued	\$ 35,455,721	\$ 33,614,472

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The total of 350,000 thousand and 10,000 thousand shares of the Corporation's authorized shares are reserved for the issuance of convertible bonds and employee share option, respectively.

The change in the number of issued shares of the Corporation was due to the conversion of the convertible bonds.

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Donation	\$ 41,790	\$ 41,790
Conversion of bonds	4,681,389	-
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	56,000	55,325
Change of capital surplus of subsidiaries and associates accounted for using the equity method (2)	979,032	992,530
	<u>5,758,211</u>	<u>1,089,645</u>
<u>May be used to offset a deficit only</u>		
Change of capital surplus of subsidiaries and associates accounted for using the equity method (3)	<u>162,274</u>	<u>128,456</u>
<u>May not be used for any purpose</u>		
Share warrants	915	185,411
Change of capital surplus of subsidiaries and associates accounted for using the equity method	64,939	89,072
	<u>65,854</u>	<u>274,483</u>
	<u>\$ 5,986,339</u>	<u>\$ 1,492,584</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

- 2) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from actual acquisition and disposal of equity may be used to offset a deficit or distributed as cash dividends or share dividends under Article 241-1 of Company Act.
- 3) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from equity transactions other than actual acquisition and disposal may be used to offset a deficit under Article 239-1 of Company Act.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), apart from paying all its income taxes in the case where there are net incomes at the end of the year, the Corporation shall make up for accumulated losses in past years. Where there is still balance, the Corporation shall set aside 10% of the sum of said profit in balance and the amount of profit (or loss) items adjusted to the current year's undistributed earnings other than the said profit as legal reserve and a special reserve as required by law. Subject to certain business conditions under which the Corporation may retain a portion of the remaining balance, the Corporation may distribute to the shareholders the remainder together with undistributed profits from previous years in proportion to the number of the shares held by each shareholder as shareholders' dividend. However, in the case of increase in the Corporation's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 24(f).

The distribution of shareholders' dividend shall take into consideration the changes in the outlook of the Corporation's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed with the aim of maintaining stable shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than 50% of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the total shareholders' dividend distributed in the same year.

These appropriations shall be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Pursuant to existing regulations, the Corporation is required to set aside an additional special reserve equivalent to the net debit balance of the other equity interests and the net increase arising from the fair value measurement of investment properties. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses, the cumulative net increases in fair value decrease or on disposal of investment properties, and is thereafter distributed.

The appropriation of earnings and dividends per share for 2020 and 2019 were approved in the shareholders' meetings on July 23, 2021 and June 23, 2020, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2020	2019
Legal reserve	\$ 1,310,348	\$ 1,745,968
Special reserve	\$ 1,209,096	\$ 804,347
Cash dividends	\$ 11,933,138	\$ 10,084,341
Cash dividends per share (NT\$)	\$ 3.55(Note)	\$ 3.0

Note: Due to the conversion of the Corporation's 3rd Euro convertible bond into ordinary shares, the number of outstanding ordinary shares increased accordingly. Therefore, the cash dividend was adjusted to NT\$3.46283787 per ordinary share.

The appropriation of earnings for 2021 had been proposed by the Corporation's board of directors on March 8, 2022. The proposed appropriation of earnings and dividend per share were as follows:

	For the Year Ended December 31, 2021
Legal reserve	\$ 1,534,939
Special reserve	\$ 411,137
Cash dividends	\$ 12,054,945
Cash dividends per share (NT\$)	\$ 3.4

Assuming that the shares reciprocally held by associates were not treated as treasury shares and not deducted from the weighted average number of shares outstanding, the basic EPS would be NT\$4.25 for the year ended December 31, 2021.

The appropriations of earnings for 2021 are subject to the resolution of the shareholders' meeting to be held on June 29, 2022.

d. Special reserve recognized at the date of transition

In the first-time adoption of IFRSs, the amounts of adjusted unrealized revaluation increments, cumulative translation adjustments and unappropriated earnings recognized from the investment properties of associates which used fair value as deemed cost were \$10,715,430 thousand, \$3,163,258 thousand and \$52,494 thousand, respectively; the Corporation appropriated the amounts to special reserve.

In addition, on the initial application of the fair value model to investment properties, the Corporation appropriated to special reserve the amount of the net increase in fair value of investment properties and transferred it to retained earnings. Additional special reserve should be appropriated for subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties.

The Corporation and its associates used and disposed of some of the related assets; accordingly, special reserve reversed to unappropriated earnings amounted to \$548,152 thousand as of December 31, 2021.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (6,108,955)	\$ (5,913,201)
Share of exchange difference of subsidiaries and associates accounted for using the equity method	<u>(1,302,920)</u>	<u>(195,754)</u>
Balance at December 31	<u>\$ (7,411,875)</u>	<u>\$ (6,108,955)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 6,414,159	\$ 7,908,323
Recognized for the year		
Unrealized gain (loss) of equity instruments	135,036	(875,729)
Share from subsidiaries and associates accounted for using the equity method		
Equity instruments	448,950	(643,730)
Debt instruments	(38,463)	27,885
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(31,614)</u>	<u>(2,590)</u>
Balance at December 31	<u>\$ 6,928,068</u>	<u>\$ 6,414,159</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 55,833	\$ 52,141
Share of cash flow hedging reserve of subsidiaries and associates accounted for using the equity method	<u>1,908</u>	<u>3,692</u>
Balance at December 31	<u>\$ 57,741</u>	<u>\$ 55,833</u>

4) Gains on property revaluation

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 716,970	\$ 385,214
Share from subsidiaries and associates accounted for using the equity method	194,724	331,756
Share from the disposal of associates accounted for using the equity method	<u>(516)</u>	<u>-</u>
Balance at December 31	<u>\$ 911,178</u>	<u>\$ 716,970</u>

23. OPERATING REVENUE AND COSTS

a. Detail of client revenues contract

	For the Year Ended December 31	
	2021	2020
Operating revenues		
Sales of goods	\$ 8,670,520	\$ 8,562,701
Rental revenue	<u>463,725</u>	<u>428,468</u>
Total operating revenue, net	<u>9,134,245</u>	<u>8,991,169</u>
Operating costs		
Cost of goods sold	7,600,879	7,736,880
Rental cost	<u>197,702</u>	<u>190,512</u>
Total operating cost	<u>7,798,581</u>	<u>7,927,392</u>
Gross profit	<u>\$ 1,335,664</u>	<u>\$ 1,063,777</u>

b. Contract balances

	For the Year Ended December 31	
	2021	2020
Contract liabilities	<u>\$ 87,050</u>	<u>\$ 89,566</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Corporation's satisfaction of performance obligations and the respective customer's payment.

24. NET PROFIT

Net profit was as follows:

a. Other income

	For the Year Ended December 31	
	2021	2020
Dividends	\$ 319,016	\$ 316,139
Others	<u>103,080</u>	<u>168,773</u>
	<u>\$ 422,096</u>	<u>\$ 484,912</u>

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	\$ (232,113)	\$ (64,714)
Gain on changes in fair value of investment properties	413,800	363,140
Net foreign exchange losses	(137,364)	(137,178)
Bank charges	(27,309)	(38,488)
(Loss) gain on disposal of property, plant and equipment	(60)	509
Miscellaneous expenses	<u>(531,940)</u>	<u>(423,100)</u>
	<u>\$ (514,986)</u>	<u>\$ (299,831)</u>

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 338,731	\$ 274,340
Amortization of discount on bonds payable	54,000	89,497
Interest on lease liabilities	1,282	1,474
Other interest expenses	-	1
Less: Amounts included in the cost of qualifying assets (capitalized interest)	<u>(1,008)</u>	<u>(299)</u>
	<u>\$ 393,005</u>	<u>\$ 365,013</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest	\$ 1,008	\$ 299
Capitalization rate	0.653%-0.736%	0.652%-0.937%

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 403,017	\$ 473,609
Operating expenses	2,458	1,736
Non-operating expenses	<u>854</u>	<u>1,393</u>
	<u>\$ 406,329</u>	<u>\$ 476,738</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 2,061</u>	<u>\$ 2,155</u>

e. Employee benefits expense

	For the Year Ended December 31, 2021			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 21)				
Defined contribution plans	\$ 10,125	\$ 3,868	\$ 403	\$ 14,396
Defined benefit plans	(8,012)	(5,567)	-	(13,579)
Short-term benefits				
Salary	374,878	195,671	9,526	580,075
Remuneration of directors	-	163,314	-	163,314
Labor and health insurance	31,747	11,822	494	44,063
Other employees-related expenses	<u>15,871</u>	<u>5,965</u>	<u>-</u>	<u>21,836</u>
Total employee benefits expense	<u>\$ 424,609</u>	<u>\$ 375,073</u>	<u>\$ 10,423</u>	<u>\$ 810,105</u>

	For the Year Ended December 31, 2020			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 21)				
Defined contribution plans	\$ 10,141	\$ 4,130	\$ -	\$ 14,271
Defined benefit plans	(11,503)	(7,932)	-	(19,435)
Short-term benefits				
Salary	418,703	157,146	8,024	583,873
Remuneration of directors	-	167,478	-	167,478
Labor and health insurance	31,319	11,662	-	42,981
Other employees-related expenses	<u>10,476</u>	<u>4,079</u>	<u>-</u>	<u>14,555</u>
Total employee benefits expense	<u>\$ 459,136</u>	<u>\$ 336,563</u>	<u>\$ 8,024</u>	<u>\$ 803,723</u>

- 1) For the years of 2021 and 2020, the Corporation had an average of 489 and 496 employees, respectively, which included 11 non-employee directors for both years.
- 2) The Corporation's average labor cost were \$1,353 thousand and \$1,312 thousand, respectively, for the years ended 2021 and 2020. Average salary and bonus were \$1,214 thousand and \$1,204 thousand, respectively, for the years ended 2021 and 2020. The Corporation's average salary and bonus increased by 0.8% year over year.
- 3) The Corporation did not have supervisors for the years ended December 31, 2021 and 2020.
- 4) The Corporation's compensation policies of directors, managers and employees are as follows:

Directors

- a) Executive directors may be paid according to the Articles, and shall be approved by the board of directors with reference to industry and peer standards. Every year, the annual performance evaluation is made based on individual performance and company performance, which is similar to senior managers.
- b) Attendance fee paid to independent directors serving as members of the remuneration committee and audit committee is in the same standards of affiliated companies. Additional fee is paid to independent directors serving as convener of the remuneration committee and audit committee.
- c) The Articles stipulates that the remuneration for directors shall not be more than 2.5% of profit of the current year. The directors' remuneration shall be distributed according to the following principles after the board of directors has considered the Corporation's operating performance and passed the distribution ratio amount:
 - i. The remuneration of directors is allocated first to the legal person. The legal person is then redistributed based on the director's role and performance to the directors.
 - ii. For a director who is a natural person, his contribution and professional field to the board of directors, remuneration committee and audit committee would be the reference standard of payment.
- d) Performance evaluation and remuneration are reviewed by the remuneration committee and the board of directors at any time depending on actual operating conditions, industrial operating risks, trends, and laws.

Managers and employees

- a) Based on the Corporation's remuneration policy, bonus and compensation are distributed mainly in consideration of the Corporation's overall operating performance and financial status as well as employees' (including managers') individual annual performance in order to plan a fair and reasonable remuneration system and incentive variable rewards. The Corporation also participates in salary surveys organized by professional consulting companies every year to review employee salaries in a timely manner and to grasp the market salary dynamics, and make appropriate salary adjustments or promotions based on individual performance results to actively retain outstanding talents.
- b) The remuneration of managers comprises fixed salary, performance bonus and employees' compensation. The Articles stipulates that if a profit is made in the year, 0.1% to 4% shall be set aside for employees' compensation. The actual ratio and amount of the profit distributable as employees' compensation shall also be determined by the remuneration committee and the board of directors, and a report of such distribution shall be submitted to the shareholders' meeting. The performance evaluation of managers will affect their employee compensation.
- f. Employees' compensation and remuneration of directors

According to the Articles, the Corporation accrued employees' compensation and remuneration of directors at the rates between 0.1% and 4% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 which have been approved by the Corporation's board of directors on March 8, 2022 and March 25, 2021, respectively, were as follows:

	For the Year Ended December 31			
	2021		2020	
	Cash	Share	Cash	Share
Employees' compensation	\$ 185,109	\$ -	\$ 189,834	\$ -
Remuneration of directors	161,970	-	166,104	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. Major components of tax expense recognized in profit or loss:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 238,223	\$ 327,289
Income tax on unappropriated earnings	7,873	264,949
Adjustments for prior years	<u>82,430</u>	<u>(1,599)</u>
	<u>328,526</u>	<u>590,639</u>
Deferred tax		
In respect of the current year	<u>213,809</u>	<u>162,405</u>
Income tax expense recognized in profit or loss	<u>\$ 542,335</u>	<u>\$ 753,044</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	<u>\$ 15,610,556</u>	<u>\$ 15,463,530</u>
Income tax expense calculated at the statutory rate	\$ 3,122,111	\$ 3,092,706
Nondeductible expenses in determining taxable income	10,931	28,735
Tax-exempt income	(1,975,951)	(1,378,513)
Unrecognized temporary differences	(676,455)	(1,205,813)
Tax on changes in fair value of investment properties	101,646	70,441
Income tax on unappropriated earnings	7,873	264,949
Adjustments for prior years' tax	82,430	(1,599)
Tax credit - income from sources in mainland China	<u>(130,250)</u>	<u>(117,862)</u>
Income tax expense recognized in profit or loss	<u>\$ 542,335</u>	<u>\$ 753,044</u>

- b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
<u>Deferred tax</u>		
In respect of the current year:		
Remeasurement on defined benefit plans	<u>\$ 38,413</u>	<u>\$ 10,724</u>

- c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax liabilities		
Income tax payable	<u>\$ 98,252</u>	<u>\$ 326,235</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Other financial assets and liabilities	\$ 86,311	\$ (76,594)	\$ -	\$ 9,717
Property, plant and equipment	4,170	(937)	-	3,233
Others	<u>3,856</u>	<u>27,025</u>	<u>-</u>	<u>30,881</u>
	<u>\$ 94,337</u>	<u>\$ (50,506)</u>	<u>\$ -</u>	<u>\$ 43,831</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investment properties	\$ 3,652,397	\$ 101,646	\$ -	\$ 3,754,043
Land value increment tax	3,427,438	-	-	3,427,438
Unappropriated earnings of subsidiaries and associates	2,145,015	53,967	-	2,198,982
Defined benefit obligation	460,993	7,993	38,413	507,399
Property, plant and equipment	46,266	(744)	-	45,522
Allowance for impairment loss	<u>1,075</u>	<u>441</u>	<u>-</u>	<u>1,516</u>
	<u>\$ 9,733,184</u>	<u>\$ 163,303</u>	<u>\$ 38,413</u>	<u>\$ 9,934,900</u>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Other financial assets and liabilities	\$ 12,748	\$ 73,563	\$ -	\$ 86,311
Property, plant and equipment	1,167	3,003	-	4,170
Others	<u>2,548</u>	<u>1,308</u>	<u>-</u>	<u>3,856</u>
	<u>\$ 16,463</u>	<u>\$ 77,874</u>	<u>\$ -</u>	<u>\$ 94,337</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investment properties	\$ 3,581,956	\$ 70,441	\$ -	\$ 3,652,397
Land value increment tax	3,427,438	-	-	3,427,438
Unappropriated earnings of subsidiaries and associates	1,990,344	154,671	-	2,145,015
Defined benefit obligation	464,209	7,508	(10,724)	460,993
Property, plant and equipment	39,682	6,584	-	46,266
Allowance for impairment loss	<u>-</u>	<u>1,075</u>	<u>-</u>	<u>1,075</u>
	<u>\$ 9,503,629</u>	<u>\$ 240,279</u>	<u>\$ (10,724)</u>	<u>\$ 9,733,184</u>

- e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized:

As of December 31, 2021 and 2020, the taxable temporary differences associated with investments in subsidiaries and associates for which no deferred tax liabilities have been recognized were \$8,537,542 thousand and \$7,974,005 thousand, respectively.

- f. The income tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share	\$ 4.70	\$ 4.70
Diluted earnings per share	\$ 4.57	\$ 4.41

The earnings and weighted average number of ordinary shares outstanding used for the earnings per share computation were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2021	2020
Profit for the period attributable to owners of the Corporation	\$ 15,068,221	\$ 14,710,486
Effect of potentially dilutive ordinary shares:		
Convertible bonds	93,952	(88,804)
Earnings used in the computation of diluted earnings per share	\$ 15,162,173	\$ 14,621,682

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	3,203,972	3,129,384
Effect of potentially dilutive ordinary shares:		
Employees' compensation	5,119	5,931
Convertible bonds	106,012	178,408
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,315,103	3,313,723

The weighted average number of ordinary shares used in the computation of basic earnings per share is the weighted average outstanding shares after subtracting the shares of the Corporation held by the associates treated as treasury shares.

When an entity pays employee compensation that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation will be settled in shares, and the resulting potential shares shall be included in diluted earnings per share if the effect is dilutive. The number of shares is estimated by dividing the entire amount of the compensation by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

From March to December 2021 and from April to December 2020, the Corporation acquired additional non-controlling interests in subsidiaries, and increased its continuing interest in these subsidiaries; refer to Note 12 for the details.

In September 2020, the Corporation acquired 227,284 thousand ordinary shares of subsidiary CHP in the amount of \$5,369,000 thousand from J-POWER INVESTMENT NETHERLANDS B.V. under a share purchase agreement. The transaction has been completed in November 2020 and, thus, increased the Corporation's interest in CHP to 99.69%.

The above transactions were accounted for as equity transactions, since it did not have effect on the Corporation's control over these subsidiaries; refer to Note 32 to the consolidated financial statements for the year ended December 31, 2021.

28. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Corporation (comprising issued capital, reserves, retained earnings, other equity).

The Corporation is not subject to any externally imposed capital requirements.

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 45,131,854	\$ 45,301,069	\$ -	\$ -	\$ 45,301,069

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 48,170,305	\$ 49,777,749	\$ -	\$ -	\$ 49,777,749

b. Fair values of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Overseas listed shares	\$ 1,534,207	\$ -	\$ -	\$ 1,534,207
Beneficiary certificates	371,600	-	-	371,600
Bond options	<u>-</u>	<u>-</u>	<u>466</u>	<u>466</u>
	<u>\$ 1,905,807</u>	<u>\$ -</u>	<u>\$ 466</u>	<u>\$ 1,906,273</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 7,072,264	\$ -	\$ -	\$ 7,072,264
Domestic unlisted shares	-	-	726,663	726,663
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>291,990</u>	<u>291,990</u>
	<u>\$ 7,072,264</u>	<u>\$ -</u>	<u>\$ 1,018,653</u>	<u>\$ 8,090,917</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Overseas listed shares	\$ 1,571,594	\$ -	\$ -	\$ 1,571,594
Beneficiary certificates	273,100	-	-	273,000
Bond options	<u>-</u>	<u>-</u>	<u>94,743</u>	<u>94,743</u>
	<u>\$ 1,844,694</u>	<u>\$ -</u>	<u>\$ 94,743</u>	<u>\$ 1,939,437</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 7,076,319	\$ -	\$ -	\$ 7,076,319
Domestic unlisted shares	-	-	591,992	591,992
Overseas unlisted shares	-	-	282,230	282,230
	<u>\$ 7,076,319</u>	<u>\$ -</u>	<u>\$ 874,222</u>	<u>\$ 7,950,541</u>
<u>Financial liabilities at FVTPL</u>				
Cross-currency swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,693</u>	<u>\$ 425,693</u> (Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	<u>Financial Assets at FVTPL</u>		<u>Financial Assets at FVTOCI</u>	
	<u>Derivatives</u>		<u>Equity Instruments</u>	
	<u>Financial Assets</u>	<u>Financial Liabilities</u>		<u>Total</u>
Balance at January 1, 2021	\$ 94,743	\$ (425,693)	\$ 874,222	\$ 543,272
Recognized in profit or loss				
Net loss on financial liabilities at FVTPL	(39,968)	(253,257)	-	(293,225)
Recognized in other comprehensive income				
Unrealized gain on financial assets at FVTOCI	-	-	139,091	139,091
Purchase	-	-	5,340	5,340
Convertible bonds converted to ordinary shares	(54,309)	-	-	(54,309)
Settlement	-	678,950	-	678,950
Balance at December 31, 2021	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ 1,018,653</u>	<u>\$ 1,019,119</u>

	Financial Assets at FVTPL		Financial Assets at FVTOCI	
	Derivatives		Equity Instruments	Total
	Financial Assets	Financial Liabilities		
Balance at January 1, 2020	\$ -	\$ (112,070)	\$ 1,074,717	\$ 962,647
Recognized in profit or loss				
Net gain (loss) on financial liabilities at FVTPL	94,743	(313,623)	-	(218,880)
Recognized in other comprehensive income				
Unrealized loss on financial assets at FVTOCI	-	-	(200,495)	(200,495)
Balance at December 31, 2020	<u>\$ 94,743</u>	<u>\$ (425,693)</u>	<u>\$ 874,222</u>	<u>\$ 543,272</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair values of convertible bond options are determined using the information available from the counterparty for valuation based on the option pricing model. The option pricing model incorporates the present value techniques and reflects both the time value and the intrinsic value of options.
- b) The fair value of cross currency swap contracts is determined using the information available from the counterparty for valuation. The counterparty measures the fair value of a cross currency swap contracts using the discounted cash flows model. Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward rates and discounted at rates that reflect the credit risk of various counterparties.
- c) The fair values of unlisted shares are determined by using the asset approach or the market approach. In the asset approach, the fair values are estimated by using the net asset value measured at fair value based on the unlisted investees' latest financial statements, while taking into account the liquidity discount and non-controlling interest discount. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies with similar industrial and business characteristics and liquidity discount are considered.

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 1,906,273	\$ 1,939,437
Financial assets at amortized cost (1)	12,387,773	6,403,386
Financial assets at FVTOCI	8,090,917	7,950,541
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	-	425,693
Financial liabilities at amortized cost (2)	62,265,050	56,202,576

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term bills payable, trade and other payables, bonds issued and long-term loans.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Corporation's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Corporation's policies approved by the board of directors, which provides written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

1) Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Corporation enters into cross-currency swap contracts to mitigate its exposure to foreign currency risk and interest risk.

a) Foreign currency risk

The Corporation have foreign currency sales and purchases and foreign currency financing activities, which expose the Corporation to foreign currency risk.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Corporation was mainly exposed to the RMB and USD.

The following table details the Corporation's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items less notional amounts of cross-currency swap. The analysis assumed a 5% change in foreign currency rates at the end of the reporting period. A positive number below indicates an increase in pre-tax profit assuming the New Taiwan dollars weakened by 5% against the relevant currency. For a 5% strengthening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances shown below would be negative.

	RMB Impact		USD Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
Increase (decrease) in pre-tax profit	\$ 87,571	\$ 86,023	\$ 465,092	\$ 432,922

b) Interest rate risk

The Corporation is exposed to interest rate risk because the Corporation borrows funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings and using cross-currency swap contracts.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to changes in interest rates at the end of the reporting period were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 9,214,261	\$ 3,354,478
Financial liabilities	60,163,650	50,511,475
Cash flow interest rate risk		
Financial assets	1,995,632	1,833,251
Financial liabilities	-	3,950,000

Sensitivity analysis

The sensitivity analysis below is based on the Corporation's exposure to changes in interest rates of non-derivative instruments at the end of the reporting period.

If interest rates had been 0.01% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by \$6 thousand and \$658 thousand, respectively, mainly due to the Corporation's exposure to changes in interest rates of its variable-rate bank borrowings and bank deposits.

c) Other price risk

The Corporation is exposed to price risk through its investments in listed equity securities and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to investment position price risks at the end of the reporting period.

If investment position prices had been 1% higher/lower, pre-tax profit for the year ended December 31, 2021 and 2020 would have increased/decreased by \$19,058 thousand and \$18,447 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the year ended December 31, 2021 and 2020 would have increased/decreased by \$70,723 thousand and \$70,763 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation is equal to the carrying amount of the financial assets as stated in the balance sheets. The Corporation adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Corporation only transacts with entities that are rated the equivalent of investment grade and above. The Corporation uses publicly available financial information and its own trading records to rate its major customers. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties in trade receivables consist of a large number of clients in different industries and regions. The Corporation evaluates clients' financial condition continuously.

Credit risk represents the potential negative impact on the financial assets of the Corporation if counterparties or third parties breach the contracts. The Corporation evaluates credit risk exposure on contracts with positive carrying amounts. The Corporation evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions and companies with good credit ratings.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) Liquidity and interest rate tables for non-derivative financial liabilities

The following tables detail the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables included both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,113,357	\$ 439,762	\$ 608,842	\$ 2,034	\$ 2,033
Lease liabilities	1,999	3,998	17,993	31,458	11,638
Variable interest rate liabilities	-	-	-	-	-
Fixed interest rate liabilities	<u>12,318,130</u>	<u>1,699,038</u>	<u>-</u>	<u>35,881,854</u>	<u>10,200,000</u>
	<u>\$ 13,433,486</u>	<u>\$ 2,142,798</u>	<u>\$ 626,835</u>	<u>\$ 35,915,346</u>	<u>\$ 10,213,671</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 23,990</u>	<u>\$ 31,458</u>	<u>\$ 5,819</u>	<u>\$ 5,819</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 990,062	\$ 267,807	\$ 617,083	\$ 5,579	\$ 2,018
Lease liabilities	6,508	13,017	58,576	54,284	12,802
Variable interest rate liabilities	-	-	-	3,950,000	-
Fixed interest rate liabilities	<u>2,199,722</u>	<u>-</u>	<u>9,370,305</u>	<u>28,600,000</u>	<u>10,200,000</u>
	<u>\$ 3,196,292</u>	<u>\$ 280,824</u>	<u>\$ 10,045,964</u>	<u>\$ 32,609,863</u>	<u>\$ 10,214,820</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 78,101</u>	<u>\$ 54,284</u>	<u>\$ 5,819</u>	<u>\$ 5,819</u>	<u>\$ 1,164</u>	<u>\$ -</u>

The amounts above of variable interest rate non-derivative financial assets and liabilities are subject to change if actual variable interest rates differ from those estimates of interest rates at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Corporation's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Cross-currency swap contracts	\$ -	\$ (42,155)	\$ (86,183)	\$ -	\$ -

- e. Transfers of financial assets. None.
- f. Offsetting financial assets and financial liabilities. None.
- g. Reclassifications. None.

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and other related parties are disclosed below.

Transactions with related parties are conducted under normal terms.

Balances and transactions between the Corporation and single related party are disclosed separately except when the amount is less than 10% of the total balances or transactions; otherwise, the amounts are lumped together as others.

- a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
FMT	Subsidiary
DCI	Subsidiary
YLPPC	Subsidiary
ACSPL	Subsidiary
NHC	Subsidiary
AEE	Subsidiary
AIC	Subsidiary
YTRMC	Subsidiary
ACCHC	Subsidiary
YLT	Subsidiary
Ya Sing Ready-Mixed Concrete Corp. (YSRMC)	Sub-subsidiary
Fu Shan Mineral Stone Co., Ltd. (FSMS)	Sub-subsidiary

(Continued)

Related Party Name	Related Party Category
Fu Da Transportation Corp. (FDT)	Sub-subsidiary
Jiangxi Yadong Cement Co., Ltd. (JYDC)	Sub-subsidiary
Kowloon Cement Corp. Ltd. (KCC)	Sub-subsidiary
Asia Oriental Concrete, LLC (AOC)	Sub-subsidiary
AC Leap Investment Ltd.	Sub-subsidiary
AC Mega Investment Ltd.	Sub-subsidiary
AC Mega II Investment Ltd.	Sub-subsidiary
AC Mega III Investment Ltd.	Sub-subsidiary
AC Mega IV Investment Ltd.	Sub-subsidiary
Asia Cement Explorer Investment Ltd.	Sub-subsidiary
Asia Cement Pioneer Investment Ltd.	Sub-subsidiary
Asia Cement Pioneer II Investment Ltd.	Sub-subsidiary
Asia Cement Pioneer III Investment Ltd.	Sub-subsidiary
Asia Cement Pioneer IV Investment Ltd.	Sub-subsidiary
FENC	Associate
U-Ming	Associate
EISF	Associate
OSC	Associate
FEDSDL	Associate
YDC	Associate
Pao-Good Industry Co., Ltd. (PGIC)	Associate
Shih Hsin Storage & Transportation Co., Ltd. (SHSTC)	Associate
Far EasTone Telecommunications Co., Ltd.	Other
Far Eastern Department Store Ltd.	Other
Chu Feng Power Corporation, Preparatory Office	Other
Oriental Union Chemical Corp.	Other
Far Eastern Memorial Foundation	Other
Far Eastern Medical Foundation	Other
New Century InfoComm Tech Co., Ltd.	Other
CHC Resources Corporation	Other
Far Eastern Resources Development Co.	Other
Far Eastern General Construction Inc.	Other
Far Eastern International Leasing Corporation	Other
U-Ming Transport (Singapore) Private Limited	Other
Ding Ding Hotel Co., Ltd.	Other
Ding & Ding Management Consultants Co., Ltd.	Other
Ya Tung Department Store Ltd.	Other
Far Eastern Apparel Co., Ltd.	Other
Far Eastern Leasing Corporation	Other
Far Eastern International Bank (FEIB)	Other
Far Eastern New Century (China) Corporation	Other
Yuan Ze University	Other
Chubei New Century Shopping Mall Co., Ltd.	Other
Oriental Institute of Technology	Other
YDT Technology International Co., Ltd.	Other
Far Eastern Ai Mai Co., Ltd.	Other
Far Eastern Technical Consultants Co., Ltd.	Other
Far Eastern Memorial Hospital	Other
Yuan Cheng Human Resources Consultant Corporation	Other
U-Ming Marine Transport (Hong Kong) Ltd.	Other

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Douglas Tong Hsu	Related party in substance
Peter Hsu	Related party in substance
Alice Hsu	Related party in substance
Nancy Hsu	Related party in substance
Raymond Hsu	Related party in substance
Hsu Shih Hsu	Related party in substance
Y.F. Chang	Related party in substance
Z.P. Chang	Related party in substance
Tsai Hsiung Chang	Related party in substance
Kun Yen Lee	Related party in substance
Richard Yang	Related party in substance
Frederica Yang	Related party in substance
Seng Chang Lin	Related party in substance
Chen Fong Cheng	Related party in substance
Chen Kun Chang	Related party in substance
Lu Hsing Fang	Related party in substance
Johnny Shih	Related party in substance

(Concluded)

Note: Other related party relationships mainly include associates' subsidiaries, legal person in which the chairman is the same as the Corporation's chairman and the director is also the Corporation's chairman.

b. Operating transactions

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Operating revenues		
Subsidiaries	\$ 2,684,215	\$ 2,526,833
Associates	252,804	253,236
Others	<u>170,710</u>	<u>161,441</u>
	<u>\$ 3,107,729</u>	<u>\$ 2,941,510</u>
Operating cost		
Subsidiaries	\$ 470,677	\$ 480,048
Associates	582,300	606,277
Others	<u>339,402</u>	<u>236,747</u>
	<u>\$ 1,392,379</u>	<u>\$ 1,323,072</u>

Receivables from related parties (including notes receivable, trade receivables and other receivables):

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Subsidiaries		
YTRMC	\$ 449,255	\$ 372,929
Others	<u>127,025</u>	<u>147,306</u>
	576,280	520,235
Associates	11,462	11,851
Others	<u>68,150</u>	<u>59,112</u>
	<u>\$ 655,892</u>	<u>\$ 591,198</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables from related parties.

Accounts payable and accrued expenses to related parties:

	December 31	
	2021	2020
Subsidiaries	\$ 65,324	\$ 61,999
Associates	110,691	98,059
Others	<u>10,128</u>	<u>5,345</u>
	<u>\$ 186,143</u>	<u>\$ 165,403</u>

The outstanding trade payables to related parties are unsecured.

Prepayments:

	December 31	
	2021	2020
Associates	<u>\$ 15,000</u>	<u>\$ 15,000</u>

c. Transactions with FEIB

	December 31	
	2021	2020
Bank deposits (Note)	<u>\$ 2,733,598</u>	<u>\$ 1,555,527</u>
Cross-currency swap contracts	<u>\$ -</u>	<u>\$ (26,854)</u>

As of December 31, 2020, the notional principal of the above outstanding cross-currency swap contracts was both US\$15,000 thousand.

Note: The balances included amounts recognized as financial assets measured at amortized cost, and other non-current assets (refundable deposits).

d. Remuneration of key management personnel

The amounts of the remuneration of directors and other key management personnel for the years ended December 31, 2021 and 2020 were as follows:

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 216,268	\$ 232,734
Post-employment benefits	<u>864</u>	<u>864</u>
	<u>\$ 217,132</u>	<u>\$ 233,598</u>

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

e. Other transactions with related parties

1) Operating expense - rental

	For the Year Ended December 31	
	2021	2020
Associates	\$ 44,945	\$ 44,943
Others	<u>4,816</u>	<u>4,957</u>
	<u>\$ 49,761</u>	<u>\$ 49,900</u>

2) Acquisitions of property, plant and equipment

	For the Year Ended December 31	
	2021	2020
Others	<u>\$ 2,317</u>	<u>\$ 877</u>

- 3) Due to changes in circumstances, the Corporation's donations to Yuan Ze University in 2010 and 2013 were not able to be proceeded and, thus, were returned and recognized in other income of \$61,304 thousand and interest income of \$3,248 thousand, respectively. Consequently, the Corporation proposed to transfer donation amounting to \$64,552 thousand to Far Eastern Memorial Foundation to support its "International Conference Center Project" and recognized the donation in miscellaneous expenses.
- 4) From March to December 2021, the Corporation acquired non-controlling interests in subsidiaries, including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE, from related party in substance with a total amount of \$1,682 thousand; refer to Note 12.
- 5) From April to December 2020, the Corporation acquired further interests in associate YYI and non-controlling interests in subsidiaries, including CHP, YTRMC, DCI, FMT, NHC, AEE, YLT and YLPPC, from related party in substance with a total amount of \$21,415 thousand; refer to Note 12.
- 6) In July 2021, the Corporation subscribed for new shares of Ding Ding Hotel Co., Ltd. with a total amount of \$5,340 thousand.

31. ASSETS PLEDGED AS COLLATERAL

The following assets are provided as collaterals for short-term and long-term bank borrowings:

	December 31	
	2021	2020
Investment properties	\$ 16,388,684	\$ 16,300,384
Investments accounted for using the equity method	7,066,534	6,948,790
Property, plant and equipment, net	<u>317,011</u>	<u>329,862</u>
	<u>\$ 23,772,229</u>	<u>\$ 23,579,036</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2021, the Corporation had the following significant commitments and contingencies:

- a. Unused letters of credit of US\$1,299 thousand and RMB1,186 thousand.
- b. Guarantee notes issued for related parties: refer to Table 2.
- c. On December 4, 2015 and December 17, 2015, CSCGL, China Shanshui Cement Group (Hong Kong) Company Limited and China Pioneer Cement (Hong Kong) Company Limited (collectively referred as “Shanshui Cement Group”) commenced legal proceedings against the former directors of CSCGL in respect of the alleged dishonest breaches of fiduciary duty or alleged conspiracy to cause damages to CSCGL during their tenures. The proceedings arose from disputes between CSCGL’s present and former board of directors over the changes in management and the takeover of the headquarters of CSCGL. On April 7, 2016, the Corporation was added as the 10th defendant. The Corporation engaged lawyers to take legal actions in connection with the unqualified claim to defend its reputation and interests. The case was tried by the High Court of Hong Kong from April 19 to June 17, 2021, and the case is currently waiting for a judgment from the High Court of Hong Kong. As of the auditors’ review report date, the Corporation considered that it is premature to evaluate at this stage the possible outcome of the proceedings given that no judgment has been handed down by the court and therefore, did not recognize any contingent liabilities.
- d. Tianrui Group Company Limited and Tianrui (International) Holding Company Limited (collectively referred as “Tianrui Group”), CSI and former directors of CSCGL, in breach of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and share Buy-backs issued by the Hong Kong Securities and Futures Commission and the fiduciary duties, have engaged in unfair prejudicial conducts in favor of Tianrui directly and indirectly through CSCGL which are detrimental to the interests of the shareholders including the Corporation. The Corporation filed a writ of summons to the High Court of Hong Kong in June 2017 and has been seeking legal advice in relation to the legal proceedings. As the respondents’ applications to strike out the petition for technical reasons, the Corporation amended the applications accordingly. As of the auditors’ report date, no further decision has been rendered yet.
- e. On August 30, 2018, Tianrui (International) Holding Company Limited (“Tianrui”) presented a petition to the Grand Court of the Cayman Islands (the “Grand Court”) seeking to wind up CSCGL, and Tianrui further filed an application for the appointment of joint provisional liquidators (“JPLs”) over CSCGL, which was accepted by the Grand Court on September 4, 2018. On August 12, 2019, CSCGL had made applications to the Grand Court for the above-mentioned winding-up petition to be struck out and/or stayed. However, the Grand Court dismissed CSCGL’s applications according to the announcement dated April 7, 2020 at the news website of the Hong Kong Exchanges and Clearing Limited. Pursuant to the Grand Court’s decision, the winding up petition filed by Tianrui is considered a dispute between CSCGL’s shareholders and thus needs to be amended. The amendments shall include but are not limited to adding the Corporation as a defendant. Later, Tianrui filed an application with the Grand Court to amend its winding-up petition, and the Corporation was added as a defendant in the petition. By an order of the Grand Court announced on January 27, 2021, the Grand Court granted Tianrui’s amendments to the winding-up petition against CSCGL and added the Corporation as a defendant. On March 19, 2021, the Corporation received the legal documents from Tianrui and has appointed legal counsel in relation to the false accusation in order to preserve the Corporation’s reputation and interests. Since no further verdict has been rendered yet, the Corporation considered that it is premature to evaluate at this stage the possible outcome of the proceedings. Therefore, the Corporation assessed that the winding-up petition did not have any material impact on its investments in CSCGL.

33. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, the Corporation considered the economic implications of the epidemic when making its critical accounting estimates based on the information available as of the balance sheet date; refer to Note 5. With this, the Corporation assessed that there are no doubts in the aspects of the Corporation's ability to continue as a going concern, risk of asset impairment and financing activities as of the date the parent company only financial statements were authorized for issue. The Corporation will stay alert to the development and situation of the COVID-19 and will take necessary action to mitigate the business risk

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
RMB	\$ 404,144	4.334	\$ 1,751,560
USD	336,657	27.630	9,301,833
Non-monetary items			
HKD	518,953	3.519	1,826,197
USD	15,073	27.630	416,467

December 31, 2020

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
RMB	\$ 394,860	4.357	\$ 1,720,405
USD	89,553	28.430	2,545,992
Non-monetary items			
HKD	508,873	3.643	1,853,824
USD	3,333	28.430	94,757

Financial liabilities

Non-monetary items			
USD	14,973	28.430	425,682

For the years ended December 31, 2021 and 2020, the total amounts of realized and unrealized net foreign exchange losses were \$137,364 thousand and \$137,178 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency because of the variety of the foreign currency transactions and functional currencies of the entities.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Information on investees (Table 7)
- 10) Trading in derivative instruments (Note 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- c. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

TABLE 1

ASIA CEMENT CORPORATION

FINANCING PROVIDED TO OTHERS

YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
1	OIHPL	ACCHC	Other receivables	Y	\$ 192,703	\$ 190,680	\$ 190,680	3.01%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth \$11,653,929	50% of net worth \$29,134,822
2	OHC	SIYDCCL	Other receivables	Y	875,921	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$2,940,370	50% of net worth \$7,350,924
		SLCL	Other receivables	Y	1,094,902	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	2,609,964	2,600,184	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
3	JYDC	SHYLCP	Other receivables	Y	394,165	216,682	114,841	3.80%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$5,654,502	50% of net worth \$14,136,255
		YYDCCL	Other receivables	Y	437,961	216,682	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	525,553	216,682	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	2,627,764	1,300,092	1,300,092	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
4	HYDCCL	WYXC	Other receivables	Y	87,592	86,673	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$2,174,682	50% of net worth \$5,436,706
		HXMC	Other receivables	Y	43,796	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPCL	Other receivables	Y	87,592	86,673	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	87,592	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	1,870,474	1,863,465	1,863,465	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
5	WYDC	WYCPCL	Other receivables	Y	109,490	108,341	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$534,159	50% of net worth \$1,335,397
		SYCPCL	Other receivables	Y	175,184	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	521,993	520,037	520,037	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYXC	Other receivables	Y	109,490	108,341	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	HGYDC	ACCHC	Other receivables	Y	1,087,485	1,083,410	1,083,410	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,262,670	50% of net worth \$3,156,674
7	SLCL	SLCCL	Other receivables	Y	175,184	173,346	151,677	3.80%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,544,891	50% of net worth \$3,862,228
8	SIYDCCL	SYCPCL	Other receivables	Y	391,495	390,028	260,018	3.80%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$4,989,648	50% of net worth \$12,474,120
		ACCHC	Other receivables	Y	2,609,964	2,600,184	2,600,184	2.69%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

Note 1: The net value was calculated based on audited financial statements as of December 31, 2021.

Note 2: The ending balance is the financing credit lines to the respective borrowers approved by the board of directors of lenders.

Note 3: The interest rate was for the year ended December 31, 2021.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2021.

TABLE 2

ASIA CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED

YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 3)										
0	The Corporation	ACE	b	50% of net worth (\$78,463,462)	\$ 834,000	\$ 828,900	\$ 828,900	None	0.53	100% of net worth (\$156,926,923)	Y	-	-
		ACP	b	Same as above	1,112,000	1,105,200	552,600	None	0.70	Same as above	Y	-	-
		ACP II	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		ACP III	b	Same as above	834,000	828,900	828,900	None	0.53	Same as above	Y	-	-
		ACP IV	b	Same as above	834,000	828,900	690,750	None	0.53	Same as above	Y	-	-
		AIC	b	Same as above	24,531,250	24,498,250	11,060,000	None	15.61	Same as above	Y	-	-
		NHC	b	Same as above	1,174,850	1,028,150	279,000	None	0.66	Same as above	Y	-	-
		DCI	b	Same as above	22,958,950	22,958,950	9,410,000	None	14.63	Same as above	Y	-	-
		YTRMC	b	Same as above	1,000,000	1,000,000	-	None	0.64	Same as above	Y	-	-
		ACL	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		ACM	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		ACM II	b	Same as above	834,000	828,900	552,600	None	0.53	Same as above	Y	-	-
		ACM III	b	Same as above	834,000	828,900	552,600	None	0.53	Same as above	Y	-	-
		ACM IV	b	Same as above	973,000	967,050	552,600	None	0.62	Same as above	Y	-	-
		FSMS	b	Same as above	30,000	30,000	30,000	None	0.02	Same as above	Y	-	-
		AEE	b	Same as above	350,000	350,000	244,000	None	0.22	Same as above	Y	-	-
		YLPPC	b	Same as above	497,642	482,555	192,100	None	0.31	Same as above	Y	-	-
		YSRMC	b	Same as above	150,000	100,000	-	None	0.06	Same as above	Y	-	-
1	DCI	FSMS	d	50% of net worth (\$7,428,847)	100,000	100,000	30,000	None	0.67	100% of net worth (\$14,857,694)	Y	-	-
2	YLSS	YLSS	d	50% of net worth (\$1,071,796)	100,000	100,000	30,000	100,000	4.67	100% of net worth (\$2,143,592)	-	-	-
3	YTRMC	YSRMC	b	50% of net worth (\$1,729,074)	48,747	-	-	None	-	100% of net worth (\$3,458,148)	Y	-	-
4	FDT	FMT	d	50% of net worth (\$454,660)	2,000	-	-	None	-	100% of net worth (\$909,320)	-	-	-

(Continued)

Note 1: The net value was calculated based on audited financial statements as of December 31, 2021.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2021.

Note 3: The relationship between guarantor and guarantee are as follows:

- a. A company with which the Corporation engages business.
- b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
- c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.
- d. A company in which the Corporation directly and indirectly holds more than 90% of the voting shares.
- e. The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- g. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TABLE 3

ASIA CEMENT CORPORATION

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	China Conch Venture Holding	-	Financial assets at fair value through profit or loss - current	11,443,000	\$ 1,534,208	0.63	\$ 1,534,208	
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	371,600	-	371,600	
	Far EasTone	The chairman of the investor is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	31,034,372	2,004,820	0.95	2,004,820	
	Far Eastern Department Stores Ltd.	The investor and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	80,052,950	1,717,136	5.65	1,717,136	
	Oriental Union Chemical Corp.	The investor and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	63,766,522	1,428,370	7.20	1,428,370	
	CHC Resources Corporation	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	22,801,185	1,034,034	9.17	1,034,034	
	Far Eastern International Bank	The chairman of the investor is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	82,595,754	887,904	2.35	887,904	
	Taiwan Stock Exchange Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	9,725,272	590,032	1.16	590,032	
	China Shanshui Investment Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	49,928	291,990	4.99	291,990	
	Kaohsiung Rapid Transit	-	Financial assets at fair value through other comprehensive income - noncurrent	15,873,243	69,812	5.70	69,812	
	L' Hotel de Chine Hotel	-	Financial assets at fair value through other comprehensive income - noncurrent	598,121	30,097	0.20	30,097	
	Pan Asia Engineers & Constructors Corp.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	1,551,395	22,138	1.36	22,138	
	Ding Ding Hotel Corp.	The chairman of the investor is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	555,638	10,681	0.53	10,681	
	China Trade & Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	250,003	3,902	0.38	3,902	
	Linkou Recreation Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	5	-	0.50	-	
DCI	Chang An Fund	-	Financial assets at fair value through profit or loss - current	145,000	4,011,598	-	4,011,598	
	Taiwan Semiconductor Manufacturing Corp	-	Financial assets at fair value through profit or loss - current	380,000	233,700	-	233,700	
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	6,899,000	231,668	-	231,668	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,600,000	170,400	0.04	170,400	
	Chicony Electronics CO., Ltd	-	Financial assets at fair value through profit or loss - current	1,900,000	156,370	0.25	156,370	
	Synnex Technology International Corporation	-	Financial assets at fair value through profit or loss - current	2,360,000	156,232	0.14	156,232	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	530,000	145,750	0.02	145,750	
	BizLink Holding Inc.	-	Financial assets at fair value through profit or loss - current	530,000	138,330	0.39	138,330	
	Yuanta Global NexGen Communication Innovative Technology ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	134,360	-	134,360	
	Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	131,840	-	131,840	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
DCI	Chin-Poon Corporation	-	Financial assets at fair value through profit or loss - current	3,150,000	\$ 115,605	0.79	\$ 115,605	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	1,020,000	106,080	0.02	106,080	
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,191,654	105,199	0.03	105,199	
	Yuanta Taiwan High Dividend LowVolatility ETF	-	Financial assets at fair value through profit or loss - current	1,500,000	64,155	-	64,155	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	300,000	89,250	0.17	89,250	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	460,000	63,050	0.01	63,050	
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	58,200	-	58,200	
	TungThih Electronic Co., Ltd	-	Financial assets at fair value through profit or loss - current	330,000	57,750	0.39	57,750	
	China Resources Cement Holdings Limited	-	Financial assets at fair value through profit or loss - current	2,776,000	57,538	0.04	57,538	
	TCI Co., Ltd.	-	Financial assets at fair value through profit or loss - current	245,000	51,083	0.21	51,083	
	Industrial and Commercial Bank of China, A share	-	Financial assets at fair value through profit or loss - current	2,000,000	40,130	-	40,130	
	ChinaAMC CSI 300 Index ETF	-	Financial assets at fair value through profit or loss - current	160,000	34,661	0.06	34,661	
	China Mobile Communications Corporation	-	Financial assets at fair value through profit or loss - current	210,000	34,585	-	34,585	
	Hsing Ta Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,609,854	33,485	0.47	33,485	
	Chunghwa Picture Tubes, Ltd	-	Financial assets at fair value through profit or loss - current	275,223	-	-	-	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - current	39,469,455	424,297	1.12	424,297	
	Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	9,958,000	354,007	0.07	354,007	
	Tripod Technology Corporation	-	Financial assets at fair value through other comprehensive income - current	1,700,000	211,650	0.32	211,650	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	215,000	13,889	0.01	13,889	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - current	41,246	924	0.00	924	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	102,031,578	1,096,839	2.90	1,096,839	
	Far Eastern International Leasing Corporation	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	45,258,938	602,813	10.14	602,813	
	Far Eastern Department Stores Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	13,630,966	292,384	0.96	292,384	Note 3
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	10,506,792	235,352	1.19	235,352	
	CHC Resources Corporation	The major shareholder of the investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	4,812,514	218,248	1.94	218,248	
	Ding Ding Hotel Corp.	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	213,442	4,103	0.21	4,103	
	Picvue Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	161,700	-	0.06	-	
NHC	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through profit or loss - current	50,000	3,230	-	3,230	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YTRMC	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	230,000	\$ 14,858	-	\$ 14,858	
FMT	Everest Textile Co., Ltd.	The chairman of the investor's major shareholder is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	18,314,020	176,364	2.64	176,364	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	2,256,782	50,552	0.25	50,552	
	Yi Tong Fiber Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	5,256,454	41,691	5.94	41,691	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	1,185,713	25,434	0.08	25,434	
FDT	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - current	309,966	3,332	0.01	3,332	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	3,254,125	72,892	0.37	72,892	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	935,029	20,056	0.07	20,056	
	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	2,053,530	8,376	16.00	8,376	
AEE	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through profit or loss - current	120,000	7,752	-	7,752	
	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	646,873	900	5.04	900	
YLPPC	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	105,000	6,783	-	6,783	
	Yamay International Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	15	-	-	-	
AIC	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	122,000	3,373,489	-	3,373,489	
	Taiwan Semiconductor Manufacturing Corp.	-	Financial assets at fair value through profit or loss - current	380,000	233,700	-	233,700	
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	6,906,000	231,903	-	231,903	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,720,000	178,880	0.01	178,880	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,600,000	170,400	0.04	170,400	
	Chicony Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,900,000	156,370	0.25	156,370	
	Synnex Technology International Corporation	-	Financial assets at fair value through profit or loss - current	2,360,000	156,232	0.14	156,232	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	530,000	145,750	0.02	145,750	
	BizLink Holding Inc	-	Financial assets at fair value through profit or loss - current	530,000	138,330	0.39	138,330	
	Yuanta Global NexGen Communication Innovative Technology ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	134,360	-	134,360	
	Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss - current	4,000,000	131,840	-	131,840	
	Hsing Ta Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	5,881,650	122,338	1.72	122,338	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AIC	Chin-Poon Corporation	-	Financial assets at fair value through profit or loss - current	3,150,000	\$ 115,605	0.79	\$ 115,605	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	1,020,000	106,080	0.02	106,080	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	300,000	89,250	0.17	89,250	
	China AMC CSI 300 Index ETF	-	Financial assets at fair value through profit or loss - current	380,000	82,319	0.14	82,319	
	China Mobile Communications Corporation	-	Financial assets at fair value through profit or loss - current	448,000	73,781	-	73,781	
	TCI Co., Ltd.	-	Financial assets at fair value through profit or loss - current	330,000	68,805	0.28	68,805	
	Yuanta Taiwan High Dividend LowVolatility ETF	-	Financial assets at fair value through profit or loss - current	1,500,000	64,155	-	64,155	
	China Construction Bank Corporation, A share	-	Financial assets at fair value through profit or loss - current	2,500,000	63,488	-	63,488	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	460,000	63,050	0.01	63,050	
	TungThih Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss - current	330,000	57,750	0.39	57,750	
	China Resources Cement Holdings Limited	-	Financial assets at fair value through profit or loss - current	2,776,000	57,538	0.04	57,538	
	Nan Ya Plastics Corporation	-	Financial assets at fair value through other comprehensive income - current	3,286,000	280,624	0.04	280,624	
	Tripod Technology Corporation	-	Financial assets at fair value through other comprehensive income - current	1,700,000	211,650	0.32	211,650	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	1,426,303	92,139	0.04	92,139	
	Inventec Corporation	-	Financial assets at fair value through other comprehensive income - current	2,882,000	71,906	0.08	71,906	
	China Life Insurance Company Limited, H share	-	Financial assets at fair value through other comprehensive income - current	600,000	27,279	-	27,279	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	141,518,058	1,521,319	4.03	1,521,319	
	Ding Shen Investment Co., Ltd.	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	40,328,640	430,710	18.00	430,710	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	11,361,972	243,714	0.80	243,714	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	1,552,156	34,768	0.18	34,768	
	Hsin Nan Construction Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,696	-	-	-	
ACE	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	276,625	-	276,625	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACP	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
	Cementon Micronesia L.L.C.	-	Financial assets at fair value through other comprehensive income - noncurrent	100	107,757	10.00	107,757	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ACP II	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	\$ 276,753	-	\$ 276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACP III	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	276,625	-	276,625	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACP IV	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	276,625	-	276,625	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	5,000	138,227	-	138,227	
ACM	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACM II	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACM III	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACM IV	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	
ACL	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	276,753	-	276,753	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,516	-	276,516	
	NOVA HORIZON CAPITAL SPC - CLEAN ENERGY SP1	-	Financial assets at fair value through profit or loss - current	10,000	276,455	-	276,455	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
FSMS	Stone Industry Resource System Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	10,000	\$ 70	0.15	\$ 70	
YLT	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	50,925	-	50,925	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	3,163,230	34,005	0.09	34,005	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	71,099	4,593	-	4,593	
YLSS	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	130,000	8,398	-	8,398	
KCC	CSOP FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	300,000	18,791	-	18,791	
KCCL	Opas Fund Segregated Portfolio Tranche	Related party in substance	Financial assets at fair value through profit or loss - current	1,606	103,636	-	103,636	
	Allianz US High Yield Fund	-	Financial assets at fair value through profit or loss - current	97,741	17,709	-	17,709	
OCPL	Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	586	-	586	
ACSPL	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Financial assets at fair value through profit or loss - current	6,660	259,482	-	259,482	
	United Emerging Markets Bond Funds	-	Financial assets at fair value through profit or loss - current	3,232,758	76,783	-	76,783	
	United Growth Fund	-	Financial assets at fair value through profit or loss - current	745,068	52,133	-	52,133	
	DBS Group	-	Financial assets at fair value through profit or loss - current	34,396	22,883	-	22,883	
	Guocoland Ltd.	-	Financial assets at fair value through profit or loss - current	26,666	820	-	820	
	Hong Leong Asia	-	Financial assets at fair value through profit or loss - current	20,000	344	-	344	
	INTRACO	-	Financial assets at fair value through profit or loss - current	46,875	482	-	482	
	Engro Corp Ltd.	-	Financial assets at fair value through profit or loss - current	2,000	54	-	54	
ACCHC	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Financial assets at fair value through profit or loss - current	7,308	282,564	-	282,564	

Note 1: Marketable securities in this table are shares, bonds, beneficiary certificates and securities derived from these items under IFRS 9 “Financial Instruments: Recognition and Measurement”.

Note 2: The carrying amounts of financial instruments measured at fair values are adjusted for fair value less accumulated impairment loss; the carrying amounts of financial instruments not measured at fair values are the original cost or amortized cost less accumulated impairment loss.

Note 3: 5,000 thousand shares (\$107,250 thousand) of the securities are pledged as collaterals for bank loans of DCI.

(Concluded)

TABLE 4

ASIA CEMENT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
ACCHC	<u>Note Receivables</u> EastPatron Limited	Financial assets at amortized cost - current	AMC Wanhai Securities Limited	-	700 (Note)	\$ 1,990,098	-	\$ -	700 (Note)	\$ 1,955,730	\$ 1,952,361	\$ 3,369	-	\$ -
	Marble Arch Industrial Limited	Same as above	AMC Wanhai Securities Limited	-	700 (Note)	1,990,098	-	-	700 (Note)	1,955,730	1,953,847	1,883	-	-
	Prime Harbour Holdings Limited	Same as above	AMC Wanhai Securities Limited	-	790 (Note)	2,245,967	-	-	790 (Note)	2,212,366	2,211,076	1,290	-	-
	Sino Horizon International Limited	Same as above	AMC Wanhai Securities Limited	-	700 (Note)	1,990,098	-	-	700 (Note)	1,978,186	1,977,381	805	-	-
	Wynn Fortune Global Limited	Same as above	AMC Wanhai Securities Limited	-	790 (Note)	2,245,967	-	-	790 (Note)	2,212,366	2,211,196	1,170	-	-

Note: The price per subscription unit is US\$100,000.

TABLE 5

ASIA CEMENT CORPORATION

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	YTRMC	A subsidiary of the Corporation	Sales	\$ (1,743,283)	(19)	Purchase 45 days after monthly closing	\$ -	-	\$ 379,895	38	
	ACSPL	A subsidiary of the Corporation	Sales	(611,164)	(7)	Average 30 days	-	-	64,563	6	
	U-Ming	An investee accounted for by equity method	Sales freight expense	479,499	5	Purchase 30 days after monthly closing	-	-	(69,740)	(3)	
	U-Ming Singapore	A subsidiary of an investee accounted for by equity method	Freight-in	300,067	4	Average 10 days	-	-	-	-	
	YSRMC	A sub-subsidiary of the Corporation	Sales	(236,760)	(3)	Purchase 45 days after monthly closing	-	-	34,186	3	
	NHC	A subsidiary of the Corporation	Purchase	227,810	3	Purchase 45 days after monthly closing	-	-	(27,620)	(1)	
	YLT	A subsidiary of the Corporation	Sales freight expense	145,697	2	Average 30 days	-	-	(24,177)	(1)	
YTRMC	The Corporation	Parent company	Purchase	1,743,283	18	Purchase 45 days after monthly closing	-	-	(379,895)	(18)	
	CHC Resources Corporation	Other related party	Purchase	457,558	5	Purchase 45 days after monthly closing	-	-	(57,158)	(3)	
	Far Eastern General Construction Inc.	Other related party	Sales	(331,964)	(3)	Average 90 days	-	-	125,840	3	
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	(818,258)	(86)	Average 60 days	-	-	164,353	88	
	The Corporation	Parent company	Purchase	611,164	68	Average 30 days	-	-	(64,563)	(49)	
FMT	FENC	An investee accounted for by equity method	Sales	(316,960)	(28)	Purchase 30 days after monthly closing	-	-	46,664	23	
	Air Liquide Far Eastern Co.	Other related party	Sales	(158,166)	(14)	Purchase 120 days after monthly closing	-	-	63,437	31	
NHC	The Corporation	Parent company	Sales	(227,810)	(49)	Purchase 45 days after monthly closing	-	-	27,620	44	
	CHC Resources Corporation	Other related party	Sales	(109,540)	(23)	Purchase 45 days after monthly closing	-	-	8,878	14	
YLT	CHC Resources Corporation	Other related party	Sales	(191,208)	(57)	Purchase 30 days after monthly closing	-	-	26,768	53	
	The Corporation	Parent company	Sales	(145,697)	(43)	Average 30 days	-	-	24,177	47	
YLPPC	Far Eastern General Construction Inc.	Other related party	Sales	(172,853)	(40)	Within 90 days	-	-	18,829	20	
YSRMC	The Corporation	Parent company	Purchase	236,760	23	Purchase 45 days after monthly closing	-	-	(34,186)	(25)	
FDT	Oriental Petrochemical (Taiwan) Co., Ltd.	Other related party	Sales	(164,904)	(18)	Purchase 110 days after monthly closing	-	-	48,160	36	
	Oriental Union Chemical Corp	Other related party	Sales	(114,825)	(12)	Purchase 75 days after monthly closing	-	-	9,725	7	
JYDC	YYDCCL	The same ultimate parent company	Sales	(2,223,890)	(10)	Within 50 days	-	-	255,677	10	
	TZOCCL	The same ultimate parent company	Sales	(1,385,707)	(6)	Within 50 days	-	-	171,164	6	
	NYDC	A subsidiary of the Corporation	Purchase	1,005,273	6	Within 50 days	-	-	(143,090)	(11)	
	WYDC	The same ultimate parent company	Sales	(728,150)	(3)	Within 50 days	-	-	107,878	4	
	NYDC	A subsidiary of the Corporation	Sales	(306,634)	(1)	Within 50 days	-	-	21,181	1	
	HGYDC	The same ultimate parent company	Purchase	276,708	2	Within 50 days	-	-	(116,606)	(9)	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	240,155	1	Within 50 days	-	-	(32,217)	(2)	
	RYNM	A subsidiary of the Corporation	Sales	(215,513)	(1)	Within 50 days	-	-	-	-	
	WAMTC	An investee accounted for by equity method	Sales freight expense	121,754	1	Within 90 days	-	-	(16,038)	(1)	
	NYLC	A subsidiary of the Corporation	Purchase	121,279	1	Within 50 days	-	-	(11,878)	(1)	
	HYDCCL	The same ultimate parent company	Sales	(120,658)	(1)	Within 50 days	-	-	28,498	1	
YYDCCL	JYDC	The same ultimate parent company	Purchase	2,223,890	77	Within 50 days	-	-	(255,677)	(88)	
	WAMTC	An investee accounted for by equity method	Sales freight expense	104,299	3	Within 90 days	-	-	(10,619)	(4)	
SIYDCCL	SLCL	The same ultimate parent company	Sales	(1,084,288)	(11)	Within 90 days	-	-	32,155	2	
WYDC	JYDC	The same ultimate parent company	Purchase	728,150	65	Within 50 days	-	-	(107,878)	(80)	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
HYDCCL	HGYDC HXMC JYDC	The same ultimate parent company	Purchase	\$ 594,164	10	Within 50 days	\$ -	-	\$ (8,362)	(3)	
		An investee accounted for by equity method	Purchase	153,074	3	Within 50 days	-	-	(16,232)	(5)	
		The same ultimate parent company	Purchase	120,658	2	Within 50 days	-	-	(28,498)	(9)	
HGYDC	HYDCCL JYDC	The same ultimate parent company	Sales	(594,164)	(15)	Within 50 days	-	-	8,362	2	
		The same ultimate parent company	Sales	(276,708)	(7)	Within 50 days	-	-	116,606	25	
TZOCCL	JYDC	The same ultimate parent company	Purchase	1,385,707	97	Within 50 days	-	-	(171,164)	(95)	
SLCL	SIYDCCL SYTCL	The same ultimate parent company	Purchase	1,084,288	24	Within 90 days	-	-	(32,155)	(14)	
		The same ultimate parent company	Sales freight expense	190,978	3	Within 90 days	-	-	(13,333)	(6)	
NYDC	JYDC JYDC	Parent company	Sales	(1,005,273)	(100)	Within 50 days	-	-	143,090	100	
		Parent company	Purchase	306,634	33	Within 50 days	-	-	(21,181)	(62)	
JYLTC	JYDC	Parent company	Sales	(240,155)	(72)	Within 50 days	-	-	32,217	80	
RYNM	JYDC	Parent company	Purchase	215,513	96	Within 50 days	-	-	-	-	
SYTCL	SLCL	The same ultimate parent company	Sales	(190,978)	(61)	Within 90 days	-	-	13,333	43	
NYLC	JYDC	Parent company	Sales	(121,279)	(19)	Within 50 days	-	-	11,878	5	

(Concluded)

TABLE 6**ASIA CEMENT CORPORATION****RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Corporation	YTRMC	A subsidiary of the Corporation	\$ 449,255	4.89 times	\$ -	-	\$ 385,216	\$ -
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	164,353	5.31 times	-	-	164,353	-
YTRMC	Far Eastern General Construction Inc.	Other related party	125,840	2.23 times	-	-	47,047	-
JYDC	YYDCCL	The same ultimate parent company	255,677	9.07 times	-	-	255,677	-
	TZOCCL	The same ultimate parent company	171,164	9.87 times	-	-	171,164	-
	WYDC	The same ultimate parent company	107,878	4.88 times	-	-	107,877	-
NYDC	JYDC	Parent company	143,090	5.73 times	-	-	129,840	-
HGYDC	JYDC	The same ultimate parent company	116,606	3.99 times	-	-	116,060	-
SIYDCCL	ACCHC	Parent company	2,623,907	Note	-	-	-	-
HYDCCL	ACCHC	Parent company	1,885,483	Note	-	-	-	-
JYDC	ACCHC	Parent company	1,309,426	Note	-	-	-	-
HGYDC	ACCHC	Parent company	1,096,130	Note	-	-	-	-
WYDC	ACCHC	Parent company	526,181	Note	-	-	-	-
SIYDCCL	SYCPCL	The same ultimate parent company	260,320	Note	-	-	-	-
ACIHPL	ACCHC	Parent company	194,497	Note	-	-	-	-
SLCL	SLCCL	A subsidiary of the Corporation	151,854	Note	-	-	-	-
JYDC	SHYLCP	The same ultimate parent company	114,975	Note	-	-	-	-

Note: The accounts receivable from financing.

TABLE 7

ASIA CEMENT CORPORATION

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
The Corporation	ACCHC	Cayman	Investment	\$ 13,660,637	\$ 13,660,637	1,061,209,202	67.73	\$ 50,282,807	\$ 7,671,037	\$ 5,195,593	A subsidiary of the Corporation
	FENC	Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	37,915,642	9,684,584	1,460,906	
	DCI	Taiwan	Investment	2,556,033	2,556,033	699,853,425	99.99	14,857,396	1,124,160	1,124,138	A subsidiary of the Corporation
	CHP	Taiwan	Power plant	8,502,050	8,501,564	568,307,076	99.70	10,682,130	1,046,477	1,043,341	A subsidiary of the Corporation
	U-Ming	Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	10,075,328	4,892,584	1,920,354	
	CSCGL	Cayman	Investment	4,821,008	4,821,008	331,878,315	7.62	7,100,277	12,065,305	852,970	
	ACSPL	Singapore	Cement	188,277	186,958	10,499,432	99.99	5,189,295	574,930	574,829	A subsidiary of the Corporation
	AIC	Taiwan	Investment	1,212,679	1,212,679	322,729,001	100.00	4,890,550	891,548	891,548	A subsidiary of the Corporation
	YDC	Taiwan	Investment	2,232,220	2,232,220	178,707,648	35.50	3,095,471	(222,131)	(86,360)	
	YTRMC	Taiwan	Ready-mixed concrete, cement - related products	1,042,261	1,042,260	199,991,832	99.99	3,458,148	1,226,966	1,226,953	A subsidiary of the Corporation
	YYI	Taiwan	Investment	911,058	911,058	155,000,823	29.92	2,584,547	744,713	222,819	
	YLSS	Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	2,292,526	359,381	351,095	A subsidiary of the Corporation
	OSC	Taiwan	Broker	154,207	154,207	136,713,259	18.93	2,016,395	294,562	55,759	
	FMT	Taiwan	Transportation	70,177	70,174	29,553,934	99.95	1,571,941	307,096	306,938	A subsidiary of the Corporation
	FEDSDL	Taiwan	Retails	500,000	500,000	53,250,000	25.00	640,234	73,257	18,314	
	YDLC	Taiwan	Leasing	309,049	309,049	34,640,189	43.60	377,521	20,500	8,938	
	NHC	Taiwan	Cement, granulated blast-furnace slag	411,106	411,106	26,138,828	99.98	319,916	56,926	56,915	A subsidiary of the Corporation
	YLT	Taiwan	Transportation	25,012	25,012	5,160,754	51.61	271,289	58,328	30,103	A subsidiary of the Corporation
	AEE	Taiwan	Engineering	7,906	7,895	8,093,680	99.74	183,476	60,392	60,189	A subsidiary of the Corporation
	YLPPC	Taiwan	Cement - related products	145,079	145,061	16,264,709	83.94	123,603	43,563	36,560	A subsidiary of the Corporation
	EISF	Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	87,060	24,027	9,707	
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	52,506	(1,121)	(1,121)	A subsidiary of the Corporation
DCI	FEC	Taiwan	Construction	140,138	140,138	127,471,221	33.76	5,163,484	1,046,486	Not applicable	
	FENC	Taiwan	Textile	1,263,385	1,263,385	82,812,887	1.55	2,433,978	9,684,584	Not applicable	
	YDC	Taiwan	Investment	289,987	289,987	72,989,438	14.50	1,270,339	(222,131)	Not applicable	
	CSCGL	Cayman	Investment	872,619	872,619	56,297,000	1.29	1,203,469	12,065,305	Not applicable	
	KCC	Hong Kong	Cement	36,024	36,024	1,127,000	49.00	442,960	23,511	Not applicable	A sub-subsidiary of the Corporation
	Catalyst Tranche Three	B.V.I.	Investment	236,880	123,960	8,000	25.00	235,904	425	Not applicable	
	FSMS	Taiwan	Mining excavation, mineral processing and sales	112,096	112,096	1,294,270	99.56	121,857	(5,744)	Not applicable	A sub-subsidiary of the Corporation
	Catalyst Tranche Two	B.V.I.	Investment	112,920	-	4,000	25.00	116,675	25,833	Not applicable	
	Catalyst Tranche One	B.V.I.	Investment	123,120	123,120	4,000	25.00	111,512	(332)	Not applicable	
	U-Ming	Taiwan	Marine transportation	27,619	27,619	468,486	0.06	30,375	4,892,584	Not applicable	
	ACL	B.V.I.	Investment	831,346	553,246	28,500,000	100.00	1,040,628	88,895	Not applicable	A sub-subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
DCI	ACM	B.V.I.	Investment	\$ 810,431	\$ 532,331	27,800,000	100.00	\$ 926,955	\$ 75,476	Not applicable	A sub-subsidiary of the Corporation
	ACM II	B.V.I.	Investment	546,917	268,817	19,300,000	100.00	625,247	38,448	Not applicable	A sub-subsidiary of the Corporation
	ACM III	B.V.I.	Investment	546,917	268,817	19,300,000	100.00	676,158	44,022	Not applicable	A sub-subsidiary of the Corporation
	ACM IV	B.V.I.	Investment	762,554	484,454	26,200,000	100.00	1,080,557	93,334	Not applicable	A sub-subsidiary of the Corporation
NHC	CSCGL	Cayman	Investment	282,957	282,957	9,250,000	0.21	197,013	12,065,305	Not applicable	
	PGIC	Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	55,617	20,551	Not applicable	
	FENC	Taiwan	Textile	15,240	15,240	1,739,978	0.03	38,893	9,684,584	Not applicable	
	U-Ming	Taiwan	Marine transportation	1,027	1,027	64,143	0.01	843	4,892,584	Not applicable	
YTRMC	YTV	Vietnam	Ready-mixed concrete	201,823	201,823	(Note)	100.00	282,148	6,204	Not applicable	A sub-subsidiary of the Corporation
	YSRMC	Taiwan	Ready-mixed concrete	69,955	69,955	6,995,000	69.95	165,219	111,603	Not applicable	A sub-subsidiary of the Corporation
	AOG	Guam	Investment	236,240	236,240	(Note)	95.04	(18,432)	(11,542)	Not applicable	A sub-subsidiary of the Corporation
FMT	FDT	Taiwan	Transportation	30,894	30,894	37,959,570	99.94	908,774	146,757	Not applicable	A sub-subsidiary of the Corporation
	FENC	Taiwan	Textile	28,773	40,263	3,155,299	0.06	75,473	9,684,584	Not applicable	
FDT	YDEC	Taiwan	Retail	160,424	160,424	33,326,840	26.95	628,571	131,827	Not applicable	
	FENC	Taiwan	Textile	31,322	31,322	1,020,000	0.02	30,116	9,684,584	Not applicable	
	U-Ming	Taiwan	Marine transportation	1,891	1,891	50,000	0.01	1,707	4,892,584	Not applicable	
AEE	CSCGL	Cayman	Investment	266,942	266,942	8,368,000	0.19	178,237	12,065,305	Not applicable	
	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	110,441	7,671,037	Not applicable	A subsidiary of the Corporation
	U-Ming	Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	31,413	4,892,584	Not applicable	
YLPPC	YDEC	Taiwan	Retail	20,776	20,776	4,811,304	3.89	90,652	131,827	Not applicable	
	YLPCIP	India	Tunnel lining segments	8,338	8,338	(Note)	99.99	1,697	-	Not applicable	A sub-subsidiary of the Corporation
	AOG	Guam	Investment	66,816	66,816	(Note)	4.96	(962)	(11,542)	Not applicable	A sub-subsidiary of the Corporation
AIC	FENC	Taiwan	Textile	405,473	405,473	15,430,293	0.29	635,350	9,684,584	Not applicable	
	CSCGL	Cayman	Investment	556,895	556,895	31,528,000	0.72	673,075	12,065,305	Not applicable	
	U-Ming	Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	63,387	4,892,584	Not applicable	
	EISF	Taiwan	Iron and steel	15,649	15,649	660,000	8.33	17,951	24,027	Not applicable	
	CHP	Taiwan	Power plant	376	376	45,568	0.01	850	1,046,477	Not applicable	A subsidiary of the Corporation
	FMT	Taiwan	Transportation	176	176	5,000	0.02	272	307,096	Not applicable	A subsidiary of the Corporation
	FDT	Taiwan	Transportation	110	110	9,717	0.03	199	146,757	Not applicable	A sub-subsidiary of the Corporation
	FSMS	Taiwan	Mining excavation, mineral processing and sales	119	119	5,000	0.38	125	(5,744)	Not applicable	A sub-subsidiary of the Corporation
	AEE	Taiwan	Engineering	116	116	6,000	0.07	120	60,392	Not applicable	A subsidiary of the Corporation
	DCI	Taiwan	Investment	76	76	6,346	-	76	1,124,160	Not applicable	A subsidiary of the Corporation
	NHC	Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	56,926	Not applicable	A subsidiary of the Corporation
	YSRMC	Taiwan	Ready-mixed concrete	37	37	5,000	0.05	44	111,603	Not applicable	A sub-subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
AIC	YTRMC	Taiwan	Ready-mixed concrete, cement - related products	\$ 53	\$ 53	7,268	-	\$ 53	\$ 1,226,966	Not applicable	A subsidiary of the Corporation A sub-subsidiary of the Corporation A sub-subsidiary of the Corporation A sub-subsidiary of the Corporation A sub-subsidiary of the Corporation
	ACP.	B.V.I.	Investment	2,072,420	1,794,320	68,550,000	100.00	2,642,204	278,535	Not applicable	
	ACP II.	B.V.I.	Investment	807,911	529,811	27,800,000	100.00	1,072,944	92,138	Not applicable	
	ACP III	B.V.I.	Investment	553,917	275,817	19,300,000	100.00	598,911	34,685	Not applicable	
	ACP IV	B.V.I.	Investment	553,910	275,810	19,110,000	100.00	676,521	45,171	Not applicable	
	ACE	B.V.I.	Investment	582,543	304,443	20,215,000	100.00	444,204	15,650	Not applicable	
YLT	U-Ming	Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	301,057	4,892,584	Not applicable	
ACE	CSCGL	Cayman	Investment	266,882	266,882	7,480,000	0.17	159,383	12,065,305	Not applicable	
	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,531	1,531	33	33.00	1,498	10	Not applicable	
	Drive Catalyst SPC	Cayman	Investment	494	494	33	33.00	467	4	Not applicable	
ACP	CSCGL	Cayman	Investment	1,959,250	1,959,250	107,536,000	2.47	2,301,001	12,065,305	Not applicable	
ACP II	CSCGL	Cayman	Investment	544,689	544,689	36,865,000	0.85	790,022	12,065,305	Not applicable	
ACP III	CSCGL	Cayman	Investment	290,967	290,967	14,790,000	0.34	316,576	12,065,305	Not applicable	
ACP IV	CSCGL	Cayman	Investment	292,032	292,032	18,514,000	0.43	397,915	12,065,305	Not applicable	
ACL	CSCGL	Cayman	Investment	567,556	567,556	35,569,000	0.82	762,205	12,065,305	Not applicable	
ACM	CSCGL	Cayman	Investment	554,533	554,533	30,251,000	0.70	649,210	12,065,305	Not applicable	
ACM II	CSCGL	Cayman	Investment	293,393	293,393	16,058,000	0.37	344,032	12,065,305	Not applicable	
ACM III	CSCGL	Cayman	Investment	292,743	292,743	18,477,000	0.42	393,730	12,065,305	Not applicable	
ACM IV	CSCGL	Cayman	Investment	504,078	504,078	37,410,000	0.86	800,750	12,065,305	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	35	36	10,000	100.00	168,471	17,204	Not applicable	A sub-subsidiary of the Corporation A sub-subsidiary of the Corporation
	Join Fortune Trading Ltd.	B.V.I.	Investment	66,218	68,552	2,427,307	100.00	4,180	889	Not applicable	
JFTL	Profit Enterprises Int'l Ltd.	Hong Kong	Barge transportation	4,291	22,222	6,100,000	50.00	4,303	1,973	Not applicable	A sub-subsidiary of the Corporation
AOG	Perez-Mtec-ACC, LLC	Guam	Ready-mixed concrete	8,289	8,529	(Note)	33.33	40	-	Not applicable	
	Asia Oriental Concrete, LLC	Guam	Ready-mixed concrete	219,659	226,019	(Note)	71.68	(30,702)	(16,278)	Not applicable	
ACSPL	ACCHC	Cayman	Investment	552,600	568,600	63,790,798	4.07	3,021,571	7,671,037	Not applicable	A subsidiary of the Corporation A sub-subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd. OCPL	Singapore Singapore	Ready-mixed concrete Ready-mixed concrete, leasing	142,590 346,290	150,290 364,990	6,000,000 17,000,000	50.00 100.00	445,899 244,832	406,473 3,596	Not applicable Not applicable	
	PIHPL	B.V.I.	Investment	24,331,337	25,035,828	9,379,303	100.00	83,270,068	8,178,776	Not applicable	A sub-subsidiary of the Corporation

Note: This is not a company limited by shares.

(Concluded)

TABLE 8

ASIA CEMENT CORPORATION

INVESTMENT IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
SHYLC	It manufactures and sells ready-mixed concrete and cement - related products	US\$15,000 (equivalent to NT\$414,450 thousand)	(2)	US\$12,000 (equivalent to NT\$331,560 thousand)	\$ -	\$ -	US\$12,000 (equivalent to NT\$331,560 thousand)	RMB2,112 (equivalent to NT\$9,175 thousand)	72.00	RMB1,520 (equivalent to NT\$6,603 thousand)	RMB9,117 (equivalent to NT\$39,510 thousand)	US\$800 (equivalent to NT\$22,104 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US\$356,104 (equivalent to NT\$9,839,154 thousand)	(2)	US\$143,817 (equivalent to NT\$3,973,664 thousand)	-	-	US\$143,817 (equivalent to NT\$3,973,664 thousand)	RMB1,021,767 (equivalent to NT\$4,438,822 thousand)	68.40	RMB698,889 (equivalent to NT\$3,036,156 thousand)	RMB4,462,391 (equivalent to NT\$19,338,396 thousand)	US\$50,781 (equivalent to NT\$1,403,079 thousand) RMB1,050,973 (equivalent to NT\$4,554,539 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US\$36,140 (equivalent to NT\$998,548 thousand)	(2)	US\$26,550 (equivalent to NT\$733,577 thousand)	-	-	US\$26,550 (equivalent to NT\$733,577 thousand)	RMB(14,195) (equivalent to NT\$(61,667) thousand)	72.00	RMB(10,220) (equivalent to NT\$(44,398) thousand)	RMB443,731 (equivalent to NT\$1,922,970 thousand)	US\$4,469 (equivalent to NT\$123,478 thousand) RMB3,533 (equivalent to NT\$15,311 thousand)
SHYFCP	It manufactures and sells ready-mixed concrete and cement - related products	N/A	N/A	US\$1,270 (equivalent to NT\$35,090 thousand)	-	-	US\$1,270 (equivalent to NT\$35,090 thousand)	N/A	N/A	N/A	N/A	-
OHC	Investment	US\$204,191 (equivalent to NT\$5,641,797 thousand)	(2)	US\$55,000 (equivalent to NT\$1,519,650 thousand)	-	-	US\$55,000 (equivalent to NT\$1,519,650 thousand)	RMB161,179 (equivalent to NT\$700,203 thousand)	72.00	RMB116,049 (equivalent to NT\$504,147 thousand)	RMB2,442,596 (equivalent to NT\$10,585,332 thousand)	US\$809 (equivalent to NT\$22,353 thousand)
NYLC	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$260,018 thousand)	(2)	-	-	-	-	RMB(21,266) (equivalent to NT\$(92,385) thousand)	68.40	RMB(14,546) (equivalent to NT\$(63,192) thousand)	RMB101,023 (equivalent to NT\$437,797 thousand)	-
NYDC	It manufactures and sells cement, slag powder and slag cement.	RMB90,000 (equivalent to NT\$390,028 thousand)	(2)	-	-	-	-	RMB1,348 (equivalent to NT\$5,856 thousand)	52.20	RMB704 (equivalent to NT\$3,058 thousand)	RMB84,382 (equivalent to NT\$365,681 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$368,340 (equivalent to NT\$10,177,234 thousand)	(2)	US\$94,594 (equivalent to NT\$2,613,632 thousand)	-	-	US\$94,594 (equivalent to NT\$2,613,632 thousand)	RMB669,925 (equivalent to NT\$2,910,328 thousand)	72.00	RMB482,346 (equivalent to NT\$2,095,436 thousand)	RMB4,144,953 (equivalent to NT\$17,962,734 thousand)	US\$27,009 (equivalent to NT\$746,259 thousand) RMB499,190 (equivalent to NT\$2,163,310 thousand)
CYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$4,100 (equivalent to NT\$113,283 thousand)	(2)	US\$2,100 (equivalent to NT\$58,023 thousand)	-	-	US\$2,100 (equivalent to NT\$58,023 thousand)	RMB4,226 (equivalent to NT\$18,359 thousand)	72.00	RMB3,043 (equivalent to NT\$13,220 thousand)	RMB56,665 (equivalent to NT\$245,566 thousand)	US\$77 (equivalent to NT\$2,128 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT\$54,171 thousand)	(2)	-	-	-	-	RMB4,470 (equivalent to NT\$19,419 thousand)	70.12	RMB3,135 (equivalent to NT\$13,619 thousand)	RMB26,152 (equivalent to NT\$113,333 thousand)	-
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$154,800 (equivalent to NT\$4,277,124 thousand)	(2)	US\$57,600 (equivalent to NT\$1,591,488 thousand)	-	-	US\$57,600 (equivalent to NT\$1,591,488 thousand)	RMB106,510 (equivalent to NT\$462,707 thousand)	72.00	RMB76,687 (equivalent to NT\$333,148 thousand)	RMB1,806,531 (equivalent to NT\$7,828,855 thousand)	US\$12,990 (equivalent to NT\$358,914 thousand) RMB221,904 (equivalent to NT\$961,652 thousand)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
CYSPC	Slag powder	N/A	N/A	US\$980 (equivalent to NT\$27,077 thousand)	\$ -	\$ -	US\$980 (equivalent to NT\$27,077 thousand)	N/A	N/A	N/A	N/A	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$3,300 (equivalent to NT\$91,179 thousand)	(2)	US\$2,970 (equivalent to NT\$82,061 thousand)	-	-	US\$2,970 (equivalent to NT\$82,061 thousand)	RMB14,830 (equivalent to NT\$64,425 thousand)	72.00	RMB10,678 (equivalent to NT\$46,388 thousand)	RMB12,851 (equivalent to NT\$55,692 thousand)	-
SYTCL	Transportation	US\$3,500 (equivalent to NT\$96,705 thousand)	(2)	US\$3,150 (equivalent to NT\$87,035 thousand)	-	-	US\$3,150 (equivalent to NT\$87,035 thousand)	RMB136 (equivalent to NT\$591 thousand)	72.00	RMB98 (equivalent to NT\$426 thousand)	RMB33,293 (equivalent to NT\$144,280 thousand)	US\$992 (equivalent to NT\$27,409 thousand)
YYDCCL	Cement, slag powder and ready-mixed concrete (including cement - related products)	US\$35,530 (equivalent to NT\$981,694 thousand)	(2)	US\$15,849 (equivalent to NT\$437,908 thousand)	-	-	US\$15,849 (equivalent to NT\$437,908 thousand)	RMB48,356 (equivalent to NT\$210,071 thousand)	72.00	RMB34,817 (equivalent to NT\$151,254 thousand)	RMB313,348 (equivalent to NT\$1,357,937 thousand)	US\$1,016 (equivalent to NT\$28,072 thousand) RMB31,173 (equivalent to NT\$135,093 thousand)
HGYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$86,170 (equivalent to NT\$2,380,877 thousand)	(2)	US\$15,350 (equivalent to NT\$424,121 thousand)	-	-	US\$15,350 (equivalent to NT\$424,121 thousand)	RMB166,291 (equivalent to NT\$722,411 thousand)	72.00	RMB119,730 (equivalent to NT\$520,138 thousand)	RMB1,048,913 (equivalent to NT\$4,545,611 thousand)	US\$1,837 (equivalent to NT\$50,756 thousand) RMB132,908 (equivalent to NT\$575,975 thousand)
HYTCL	Transportation	RMB13,000 (equivalent to NT\$56,337 thousand)	(2)	-	-	-	-	RMB(565) (equivalent to NT\$(2,455) thousand)	72.00	RMB(407) (equivalent to NT\$(1,768) thousand)	RMB13,215 (equivalent to NT\$57,269 thousand)	-
WYCPL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$260,018 thousand)	(2)	-	-	-	-	RMB(33,727) (equivalent to NT\$(146,519) thousand)	72.00	RMB(24,283) (equivalent to NT\$(105,492) thousand)	RMB45,766 (equivalent to NT\$198,333 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$390,028 thousand)	(2)	-	-	-	-	RMB20,150 (equivalent to NT\$87,537 thousand)	64.79	RMB12,598 (equivalent to NT\$54,729 thousand)	RMB249,500 (equivalent to NT\$1,081,243 thousand)	-
HZYCCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB30,000 (equivalent to NT\$130,009 thousand)	(2)	-	-	-	-	RMB1,542 (equivalent to NT\$6,699 thousand)	28.80	RMB444 (equivalent to NT\$1,929 thousand)	RMB15,348 (equivalent to NT\$66,513 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT\$43,336 thousand)	(2)	-	-	-	-	RMB15,171 (equivalent to NT\$65,907 thousand)	28.80	RMB4,207 (equivalent to NT\$18,276 thousand)	RMB8,561 (equivalent to NT\$37,100 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT\$153,844 thousand)	(2)	-	-	-	-	RMB8,518 (equivalent to NT\$37,004 thousand)	34.20	RMB3,121 (equivalent to NT\$13,558 thousand)	RMB35,001 (equivalent to NT\$151,682 thousand)	-
TZOCCL	Cement - related products	US\$16,000 (equivalent to NT\$442,080 thousand)	(2)	-	-	-	-	RMB14,980 (equivalent to NT\$65,077 thousand)	72.00	RMB10,246 (equivalent to NT\$44,511 thousand)	RMB77,505 (equivalent to NT\$335,879 thousand)	-
SLCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB600,000 (equivalent to NT\$2,600,184 thousand)	(2)	-	-	-	-	RMB197,517 (equivalent to NT\$858,065 thousand)	72.00	RMB140,212 (equivalent to NT\$609,117 thousand)	RMB1,709,257 (equivalent to NT\$7,407,305 thousand)	-
SLCCL	Cement - related products	RMB20,000 (equivalent to NT\$86,673 thousand)	(2)	-	-	-	-	RMB(1,695) (equivalent to NT\$(7,364) thousand)	72.00	RMB(1,220) (equivalent to NT\$(5,300) thousand)	RMB(17,441) (equivalent to NT\$(75,583) thousand)	-
YDES	Wholesale of chemical products and machinery equipment, design and development of computer software and network technology	RMB1,763,425 (equivalent to NT\$7,642,049 thousand)	(2)	-	-	-	-	RMB(41,754) (equivalent to NT\$(181,390) thousand)	28.80	RMB(50,430) (equivalent to NT\$(219,081) thousand)	RMB480,660 (equivalent to NT\$2,083,007 thousand)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
RYNM	Building materials, products and construction waste	RMB2,000 (equivalent to NT\$8,667 thousand)	(2)	-	\$ -	\$ -	\$ -	RMB104,166 (equivalent to NT\$452,524 thousand)	68.40	RMB71,249 (equivalent to NT\$309,524 thousand)	RMB75,878 (equivalent to NT\$328,828 thousand)	-
JRYNM	Mineral resource mining, port management, waterway general goods transportation and construction	RMB10,000 (equivalent to NT\$43,336 thousand)	(2)	-	-	-	-	RMB(686) (equivalent to NT\$(2,980) thousand)	30.78	RMB(211) (equivalent to NT\$(917) thousand)	RMB2,867 (equivalent to NT\$12,425 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$648,051 (Note 3) (equivalent to NT\$17,905,649 thousand)	US\$2,284,279 (equivalent to NT\$63,114,629 thousand)	(Note 4)

- Note 1: The accrual is based on the financial statements audited by independent auditors.
- Note 2: The investor companies were incorporated in Mainland China by a company (2) (ACCHC) which was incorporated in the area other than Taiwan and Mainland China in order to invest in Mainland China.
- Note 3: As of December 31, 2021, accumulated investments in China Shanshui Cement Group Ltd, which is listed at HKEx, and China Shanshui Investment Company Limited were US\$150,620 thousand and US\$66,201 thousand, respectively, which were included in Accumulated Outward Remittance for Investment in Mainland China.
- Note 4: The Corporation obtained certificate No. 10920439220 from Industrial Development Bureau, Ministry of Economic Affairs, according to the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”, the accumulation of fund is not limited.
- Note 5: The foreign currency amounts of original investment amount and carrying amount are expressed in New Taiwan dollars at exchange rate as of December 31, 2021 the foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2021.

(Concluded)

TABLE 9**ASIA CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
FENC	750,511,324	21.16
Far Eastern Medical Foundation	181,566,797	5.12

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.